

Cross-Border Tourism Cooperation Potentials and Dynamics

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Abstract

Globalization and regionalization are the strong trends for both the economic and political development. Nation states are more cooperative than insular, and once impermeable borders become thinner, which is evident with the foundation of European Union and signature of the North America Free Trade Agreement (NAFTA). States manage to balance the security and interests at the border regions by inheriting legacy, inventing and establishing mechanism to keep border regions functional. Approaching from temporal, spatial, sector and institutional perspectives, this paper investigates the mechanism for the cross-border tourism cooperation through a sketch of the migration history, theories in this regard, and a case study of the NAFTA.

The tentative conclusions are: the border region is dynamic, its potential may be achieved by means of agglomeration, innovating and reforming cross-border regime, encouraging participation of public and private stakeholders. It is a top-down dominated process responding to external pressures.

Keywords: Cross-Border Cooperation; Competitiveness; Institution; Mechanism; NAFTA

Introduction

Tourism in nature is a kind of free movement, a free movement of people and capital in particular. The extent of tourist's pleasure and enjoyment depends substantially on the degree of this free movement. The tourist can go as far as where they can reach. The easier a place is accessible; the more tourists will come to the place. In this sense, accessibility is vital for the development of tourism sector. When the tourist activities only take place in the tourist home country, the free movement is not much the concern. Whereas if you are planning to travel to another country, you need to concern first about the barriers to your mobility. The barriers to this mobility are manifold, and different in kind. They may be physical, cultural, spiritual, artificial, systemic or political. Many of these obstacles have yielded to tourism industry through learning process and interaction, collaborative programs, business investments and existent etc.; nevertheless, borders are still widely existing and functioning adversely to the tourist mobility in many parts of the world today^[1].

Borders are diverse in nature and their geopolitical functions are changing with times, especially when the world maintains the

long-time peace. Borders are invisible or visible lines demarcating state sovereignty over a mass of land, space or water between and among adjoining countries, marking the geographic domain that a country freely functions as a nation-state politically, economically, and socially. Historically borders mainly existed as barriers to intrusion and trespassing, as a mark of military protection. They are there between countries for national security and defence. It manifests a political existence and absolute sovereignty^[2]. But border communities, natural resources, lakes and rivers, forests and mountains may straddle the borders. On both sides of borders there may be villages, towns, cities popularly or sparsely inhabited by residents commuting frequently. Trades and transactions may also exist across borders. With the fast development of globalization and regionalization, economic and political cross-border cooperation catches the world attention, academic world as well.

The paper intends to investigate the mechanism which propels the development of cross-border tourism cooperation and collaboration from a global perspective. Tourism is one of the world's largest social-economic activity with the largest employment and revenues. The research methods are a diachronic investigation, literature review regarding theories on clustering, competitiveness, regional development, cross-border cooperation, and collaborative mechanism. We conclude by taking NAFTA as

an illustrative example.

Research Methodology

Cross-border tourism cooperation is not a new phenomenon, and it is substantially subordinated to political regime institutions, which has a development process from being hostile to contact, negotiations to cooperation, once-a-time temporal collaboration to institutionalized permanent arrangements. It is firstly a historical process shaped over time. The authors first take a diachronic approach to investigate the cross-border collaboration in the historical context. To avoid repetition of past tourism policy failures, inefficiency, and declines, cross-border tourism research should cover the historical trends in its process and examine the methods applicable to elaborate the temporal changes and evolution of the tourism cross-border collaborative mechanism, a kind of social structure reproduced over time. They are rules, norms, legacies, and practices guiding our cultural, social, economic and political relations and people can resort to them for handling collective problems^[3]. The case study of the former North American Free Trade Agreement (NAFTA), now the newly-signed The United States-Mexico-Canada Agreement (USMCA), usually conceived stable, is evolving too in the dynamic global setting. Once hailed as one of best practices in the field of cross-border cooperation, the NAFTA underwent a longitudinal development with arising issues and policy changes to be dealt with institutionally. Based on the review of past research literature, the paper aims to shedding light on the dynamics of the path creation and path dependence and their interconnections.

By the diachronic method, the focuses are on the institutional creation, and impacts of material events on institutional and political processes. This diachronic investigation is similar to the empirical case study, except the theorizing and cross-referring of research literature^[4]. Besides temporal effects, the role of actors engaged in is worth investigation. When an organization is established and operated, it will become difficult to change its direction or to take an alternative path, thus it is, to some extent, locked down and inclined to a path-dependent development. Path dependence occurs because of self-reinforcing feedback, which means that the organizational values and procedures have been accepted and internalized among the actors^[5]. Political authority and legitimacy can also contribute to the self-reinforcing feedback process. Path dependence is forged over relatively long periods of time. On the other hand, the institutional transformation occurs in the long development as factors causing path creation. A new path may arise from several potential sources of gradual path-creating institutional changes, such as frictions within institutions around their related actors, ideas and policies, the different interpretation and application of rules, shifts in the coalitions among actors involved in institutional arrangements, and new circumstances following a political election^[6]. The diachronic perspective

focuses on incremental knowledge pooling within the existing body of knowledge of the role of institutions. It can be referred to in other borderland contexts by providing a starting point for further theorization of the interrelations between institutions and the spatial, political and historical borderland settings in cross-border tourism development.

Second, a qualitative research design is chosen to deepen our practical understanding of the impacts and spillover effects of cross-border tourism cooperation to cross-border integration. The analysis is based on empirical observations. The empirical study is related to the current body of knowledge of institutionalized cross-border tourism collaboration. The goal of this comparison is to describe the phenomenon, to reveal the patterns, and to understand the temporal trends.

This paper adopts an empirical research approach with an in-depth qualitative case study of the continuance and evolution of the successful cross-border cooperative institution of the NAFTA, now the USMCA^[7]. It combines evidences to theories. Nowadays, borderlands exist in various situations and status, from absolute absence of daily contact to barrier-free flow of people and goods, they may be impermeably alienated, coexistent, cooperative or integrated. It is obvious that this development is not a linear process and cross-border cooperation can occur in any situation. In a collaborative frontier land with an open policy, there will be a higher extent of regional integration. Meanwhile, differences and alienation themselves are also the lure and incentives for at least tourism cooperation^[8]. Therefore, both the assimilation and the nature of complementarity are the potential factors that bring about the integrative borderlands through tourism cooperation.

Thirdly, NAFTA once stood for the highest achievement in terms of cross-border collaboration. It plays a symbolic and institutional role for the regional development trend in the future. In this sense, it is worth our while studying. Although the shared values, mindsets and longtime cooperation practices tend to lead to the path dependence and continuity of this institutional regime, as the evidence from the case study shows, the role of the agent actors are also vital in many aspects, especially in the global context of Brexit, arising of global trade conflicts and the loom of the NAFTA and the proposal to build walls along the U.S-Mexico border. The transnational collaboration seems to have come to a transformative point for either upgrading or reversing to national protectionism and isolationism. The success and failure of the case selected is symbolic regarding cross-border collaboration, facilitating social-economic development and soft regional integration process.

Phenomenal Trends of World-wide Tourism Development

The establishment of European Union (EU) and the North American Free Trade Agreement (NFTA) are best examples in

terms of globalization and regionalization development, reflecting the human achievements regarding cross-border cooperation, collaboration and coordination. They are still in the process of development, they are still growing, and it is hard to tell where they will reach. It is also true even in the business world, we see that corporations have been acquired and merged and the big companies become bigger in scale and size, and the number of corporations is reducing steadily. You will find that airline companies in U.S dropped from 10 in 1970s to 4 at present. Worldwide there are only couples of Smart phone companies (Apple Co., Samsun Co. etc.) now which survive from many Cell phone manufacturers. Google dominates the internet business. It is fascinating to see that clustering, grouping, regionalization, globalization, and integration are leading the trend of world economic development.

The regionalization takes place in the area where two or more nation-states locate, concerning border regions, border management, and cross-border cooperation. It can be termed as the border development zone^[9]. There are many perspectives to look at the border zone, for instance, you can approach it from the historical legacy, or from the spatial geography, sectoral industries and the institutional arrangement and interaction. By investigating these dimensions, we try to understand the motivations, patterns and mechanism driving the formation of the border regional economy, tourism in particular.

Brief History of Movements of People

Travels are as old as human beings. Travelers go across borders, oceans, and mountains for adventures, trades, explorations, learning, jobs and new settlements escaping from tribal conflicts and wars or varied persecutions. English convicts were sent to Australia, and people from England, Holland, and France moved to North America and Africa. People inhabiting a continent are a mixture of people originating from everywhere, Europeans and Africans spread all over the United States, Canada, Australia, New Zealand, and Brazil. In the earlier days, a majority of these travellers were labourers or slaves who were sent to work on farms, on construction sites or in mines. Their movement and resettlement in different continents set up a solid foundation for the later close exchange and communication between the Europe and Americas.

The international movement of people on a large scale reduced with the outburst of the First World War. In order to stop the enemy's entry, the passport control measures were introduced in Europe. In the United States, immigration laws were passed to control the international movement of people. The great depression in 1930s was a hard stroke to the economy, and the consequent high unemployment rate refrained the massive movement of people. With the end of the World War II, thousand millions of refugees seeking settlement scattered everywhere in Europe, America and Latin America.

The period from 1940s to 1970s is the time to reconstruct and recover from the damages of the two world wars. Economy is recovering quickly and manufacture industry needs a large number of skilled and semi-skilled workers. European countries like Britain, France and Germany received immigrant from Indian and Caribbean islands, North Africa, Yugoslavia and Turkey respectively; meanwhile around 10 million people arrived in the United States and Canada to seek economic opportunities. After this move with the end of the rapid economic growth and recovery and full employment as well in Europe, international movement of people gradually came to a stop. A majority of immigrant countries in Europe passed the immigrant laws to restrict immigrants. A small scale of immigrants from Europe and developing countries in other continents are still being accepted by the United States and particularly Canada for permanent residence under the strict control of various immigration laws.

In addition, a stream of temporary movements of labourers seeking temporary or seasonal jobs still continues at present in many parts of the world. The countries attracting temporary labourers are usually industrial developed countries or newly-industrialized ones or countries with high income. A large migration of labourers from developing countries with large labour-surplus migrated to labour-scarce developed countries to take half-skilled temporary or seasonal jobs make countries in this stream more interdependent and closely linked economically and socially. We can see this close link between the U.S and Mexico, Canada and Mexico. The sources of temporary migrants are mostly from South Asia, Southeast Asia, North Africa, and Latin America. This kind of migration takes a regular pattern in terms of source countries and occupations to be taken. And it is also a kind of footstep which sometimes leads to permanent settlement^[10].

The refugee and asylum seekers are also a substantial component of the international movement of people. The two world wars brought about a large number of displaced people who were seeking resettlement in places other than their home countries. Since then on, the world was locked into a long period of cold war, and regional conflicts and small-scaled military actions have been taking place frequently, which lead to a sharp rise of refugees and asylum-seekers. The situation is constantly worsened with ethnic issues such as ethnic political identity, religious violence, political persecution, famines, natural disasters, exclusive nationalism, and the list can go on and on. The refugees come from everywhere around the world and have an extensive geographic source, nevertheless, they have very limited accepting host countries, such as the EU, the U.S and Canada. Overseer students are also a phenomenal international movement of people in nowadays. Historically, the developed countries with qualified world-class higher education attract and recruit students around the world. These higher educational institutes usually locate in

Europe, U.S., Canada, and Australia, but nowadays they spread all over on every continent. The trend now goes beyond the domain of high education, and primary and secondary education in the developed countries also begin to accept international students. This is a fundamental change and a substantial number of people are involved in this huge international movement. A student at a minor age studying at the elementary or high school is usually accompanied by an adult (parent, brother, sister or other relatives) for the first foreign trip, or is frequently visited by them in future. It is hard to obtain an exact data of oversee students and this number is very dynamic and changes quickly. We can imagine they are thousand millions. They travel annually and keep the world closely linked economically and socially.

The destinations of the international movement of people are very important for studying this migrant phenomenon. Whether they are labourers, refugees, asylum-seekers, or oversee students, they move with a clear and definite destination. At most time, it is a one-way movement. Observing the migration direction, whichever streams they are, a pattern is obvious: that is the general flow from agricultural societies to industrial ones, from developing countries to the developed ones. This flow goes along well with the structural change of the economy. As industrialization progresses, the demand for labourers rises, and the manufacture sector, later the service sector as well, offers new employment opportunities with higher wages at the time when the agricultural sector peaked and stagnated and began to fall in employment and returns.

When the demand side is strong and cannot be satisfied within the domestic labour market, international labours are supplied. From the supply side of the labour, push- and pull-factor are important, which divide the forced and voluntary migration of people. For those living in the poor rural area with high unemployment or low income, they are pushed to look around for new opportunities to support themselves and their families. They migrate for a secure economy and life. They go where they can be hired. Therefore, this kind of migration can be short or long, from rural to urban, from domestic to international. On the contrary, an emigrant called "brain drain" is voluntary, because these well-educated, professional talents with good technique expertise and management skills are pulled mostly to a more industrialized foreign country, which is perceived to offer better living quality and opportunity as well as economical returns. From demand side, labour-shortage in the immigrant receiving countries is the fundamental cause of the international migration. In an open, competitive economy, the employers always seek benefits from their investments and costs including wages.

When the wages rise or when they anticipate a scarcity of labour supply in the domestic market, they need to take measures to balance the returns and costs. The means to reach this balance are usually the following four. The first choice is to seek

technology improvement and advance through capital investment to substitute for labour, to reduce the number of the labourers or to improve the productivity of the current product capacity. This is the safest and most effective way if it succeeds. Meanwhile it is also the most time-consuming way, because technology advances are conditioned on too many factors and some are beyond their capabilities. Second, they can take the trade to substitute for their own production by sourcing domestically or internationally if it is feasible and applicable. The third option for the capitalist is to transfer their production site to a country where labourers are abundant and cheap. In this way, the reliance on the influx of migrants from foreign countries is solved once for all. The last resort is to import labourers and accept international migrants to fill the lack to the low-skilled positions open. The international migrants are not a limitless resource and always ready for use. They are also regulated and controlled by the state government. Especially, with industrial upgrading and advancement, the requirements and qualifications to the labourers are rising. The evidence to respond the qualification requirements to labourers is that the oversee students and the skilled professionals now dominate the international migration^[11].

Besides economic factors, geography, history, and sociology all play an important role in the dynamic international movement of people. Geographic proximity, a colonial tie, share of a common language or similar languages, and similar cultures and values contribute to the decision-making in terms of migrant direction and destinations. Maybe this can be supported with the fact that there are more migrants from Indian Subcontinent and Caribbean Islands to Britain, and more labour flows from north Africa to France. There are more Mexico immigrants in U.S and Canada, more east Europeans in the West Europe. Looking from the social dimension, it may be noted that the migrant flows followed the trails opened by their pioneers. They were friends, relatives or people residing in the same community and usually knew each other before moving, and when they arrived, they often settled down in the same community or city, took the similar jobs and occupations.

Thus, in the accepting countries there are so named Chinese Town full of Chinese restaurants and convenient shops, Little Italy community with Italian architectures and Italian flavour foods and eateries, and German towns observing German style of living, etc. This kind of social formation of race-based communities and township is a vital agent driving international economic cooperation, tourism collaboration in this context.

Spatial Characteristics of Border Region

An outstanding geographic feature of humane economic activity is that it always highly concentrated spatially in some specific regions endowed with indispensable factors. The reasons

behind the spatial concentration may be either natural or humane, may be related to the value chains or to some other social or economic considerations. In a free competitive society, this kind of geographic concentration is associated with maximum returns from scale and agglomeration economies that arise from clustering, intense interactions obtained from proximity. For instance, the U.S manufacturing industry mainly concentrates in a relatively small part of the north-east and the eastern part of the mid-west of the United States^[12]. The Ruhr, Northern France and Belgium compose the manufacturing triangle in the Europe Continent. It is also true in Britain: Birmingham for engineering and manufacturing, and Glasgow and Liverpool for shipbuilding. In Canada, the manufacturing industry spreads in the Five Lake area.

A scale economy brought about with the closer economic interdependence across national borders is achieved ^[13]. One obvious advantage of the scale economy is the pooling of the scarce resources, talents, technologies, and the sharing of the infrastructures, so that the production can be organized to play at the full potentials. Clustering occurs both spatially and sectorally for attaining high efficiency and increasing returns.

Speaking of border region, the twin challenges of being peripheral and the border policy cannot be neglected. The typical example is the Continental European manufacturing triangle that covers the land of three countries. One of the good reasons for its base like this arrangement is the consideration of the geographic proximity and open border policy implemented there. It is also true for U.S-Canada concentration of the manufacturing industry. Most Canadian cities locate within 150-mile distance to U.S. border, that is why some of U.S manufacturers located in Canada for their production during time of the World War II. The mechanism for U.S.-Canada border region cooperation will be covered in detail in the following case study section. Border openness substantially influences the occurrence of the clustering. If the border is open for smooth movement of people and goods and the tariff is substantially reduced or even eliminated, clustering may take the form of specialized development, in this way the company may focus on developing what they are most capable of, and hence specialization and new logistical strategies may be exploited. One good example is the Just-In-Time (JIT) production management adopted in the U.S-Canada border region, because the two countries maintained such kind of an open border. In addition, the proximity of border cities is also a great advantage. Rapid advances in technology and declining transport and communications costs from the 1960s onwards facilitated the global dispersal of specialization in a certain value chain with the global foreign investment by multinational corporations. These strategies involving changes on the supply chain, improvements of the operation processes, reorganization of the distribution network and warehouses, as well as relocation of the production sites greatly boosted the competitiveness and efficiency. A cost-effective production was established and attained^[14].

Agglomeration is presumed to improve company's performance, take advantage of expertise regarding value chain division, and strength regional and countries' competitiveness^[15]. Porter states that the clustering is synonymous with competitiveness, given that it contributes to the innovation processes. It facilitates linkage between organizations and institutions, and it responds and better meets consumer needs, and channels knowledge and information dispersal for technology development^[16].

Cross-Border Regionalization Development

Sectorally and institutionally, clustering is an interconnected system whose value as a whole is greater than the sum of its parts^[17]. Some material fruits of the clustering are agglomeration and interconnection. The agglomeration reflects the geographic concentration of an industry or related activities^[18]. Whereas, interconnection involves the competitive/cooperative relationship that is established between the regional actors ^[19]. The tourism sector does not exist alone independently. Whereas it is closely related to the other private and public sectors and develops in a cohort with other sectors and requires fundamental supports from a wide range of cross-sector cooperation. Meanwhile it is also an activity endowed with the enormous possibilities that may produce direct, indirect, and induced effects in an economy through employment, collaborative interaction and dynamics of other sectors and institutions already established.

Different from other economic activities in which the product is transferred and delivered to where the market and customer locate, tourism (like agriculture and service sector) exists and operates in precisely the opposite way. To obtain the utility of and consume the touristic product, the tourist will go to the structure that supports it: the tourist destination. One inborn feature of tourism is the inseparability between the tourist destination and the tourist product. To a substantial extent, a tourist destination per se is the tourist product. Tourism also has external spill overs and generates multiplier effects on economic activity, reflected not only by the generation of significant added values, but also by the ability to motivate the development of other economic activities through extension. The clustering leads to a higher-level stage of development, that is the creation of regional blocks, or regionalization, like the institutional structures of European Union (a supranational institution) and the North American Free Trade Agreement (NAFTA) (national institution) signed among U.S, Canada and Mexico. Regarding regionalization, geographic proximity plays an important role in the perception of the region as an organic wholeness and environment for tourism players, maintains the survival of tourism businesses, and contributes to the competitiveness of the tourism sector.

The competitiveness of a country, or a region here in the context of this paper, comes from the synergic action of four determinants that shape the environment in which companies

compete, promoting or preventing the creation of competitive advantages. These determinants are: (i) the factor conditions: allocation of a country in production factors such as expertise or infrastructure, required for the competitive activity of a given industry; (ii) the strategy, business structure, and rivalry: conditions that in the country regulate the creation, organization, and management of business and the nature of domestic rivalry; (iii) the demand conditions: characteristics of domestic demand for a particular good or service, namely the presence of sophisticated and demanding customers; (iv) the existence of related and supporting industries: the existence or not of supplying industries that may or may not be related, that are competitive in international markets. This determinant includes the issue of agglomeration economies and its effect on competitiveness^[20-22].

Regarding tourism sector, location per se is a source of competitive strength, for the region in the form of the tourist destination presents itself in the simultaneous combination of both the regional image and the tourist product. There are many tourist products presented to the market in this manner, for example, 17-day European Tour Package, 15-day North American Tour Package, or 7-day North Europe Tour Package etc. Thus, it is important to identify these factors that a region can take advantage of to strengthen the competitiveness of the region both as a tourist destination and the distinguishing tourist products, to work out procedures to market them by the joint activity of all regional actors.

Development of the tourism potential of any country or region depends substantially on its ability to maintain a competitive advantage in supplying goods and services to visitors. Competitiveness in the tourism sector is defined as the capacity of a tourist destination to attract visitors, foreign and domestic. The tourism sector has a comparatively long value chain, involving multitudinous players including enterprises (on the same stage or on different stages of the value chain) and related agents (e.g., education or research entities, associations, chambers of commerce). Its competitiveness is - more than any other sector - a framework of strategic partnerships, involving all who directly or indirectly contribute to the construction and promotion of the tourism product.

To compete in the tourism field, a destination needs to have a more or less broad variety of quality tourism products and resources; what is more important is that these products and resources must be managed effectively and efficiently. On the regional destination scope and scale, the tourism competitiveness can be maintained through a dynamic capacity for innovation and constant improvements, growing, and sustaining within the life cycle of the tourism products. According to Porter's theoretical model, tourism competition does not occur between countries but between clusters of tourism businesses^[23,24].

Institutionalized Cross-Border Cooperation and Policy

For an effective operation of any cross-border collaborative program or cross-border region, players from the public sector are substantially important, for they provide the public services and policies as well as the direction for the development. The institutional framework is established to ensure the implementation of the policy decisions as well as to provide supportive and facilitating roles. In Adam Smith's day, economic activity took place on a landscape largely defined and circumscribed by the political borders of nation states: Ireland with its wool, Portugal with its wines. Nowadays, by contrast, economic activity is what defines the landscape on which all other institutions, including political institutions, must operate^[25]. The typical example is the European Union, a supranational institution where member states have delegated large portions of sovereign prerogatives. Within EU, internal borders among member states are permeable by their citizens.

Concerning cross-border cooperation, it is obvious that two hands "the invisible hand of free market and the visible hand of government intervention" are playing in the game. Cross-border management is related to the sovereign prerogatives and jurisdiction, the state has the absolute power on how the border region is controlled and regulated. However, the two hands interact and respond and adjust in accordance to the economic or political needs. To a great extent, they depend on and serve each other. The private sector provides the public policy makers market information, presents proposals and requests; while the public sector provides the other side security protection, infrastructures, policies, funds, facilitating vehicles, coordination and guiding services etc. ^[14]. Each has one's own exclusive domain but also some overlapping fields.

In terms of economic dimension, cross-border policy coordination is the main way to exploit untapped economies of scale and reduce market failures. The institutional failures tend to arise as a result of knowledge deficits (e.g. imperfect understanding of the structure of regional cross-border economies); institutional jurisdictional issues (e.g. legal constraints on the operation of 'national' development agencies); policy and administrative gaps (e.g. small and under-resourced local government development functions and capacities); a lack of regional development focus by the higher educational establishments and an inability to achieve close cross-border synthesis between them; and weaknesses in non-governmental socioeconomic agencies (e.g. chambers of commerce, etc.)^[26]. Different policy approaches can be used to obtain coordination, but what is most important is to establish trust between and among all players, nation-states in particular. Close political and institutional ties between regions tend to be established if they highly trust each other. People who do not trust one another will end up cooperating only under a system of formal rules and

regulations, which have to be negotiated, agreed to, litigated and enforced. Fukuyama states that “widespread distrust in a society ... imposes a kind of tax on all forms of economic activity, a tax that high-trust societies do not have to pay”^[27].

Policy entrepreneurship is an important method that could be adopted to deepen cross-border economic connections. This policy in this category is usually experimental in nature^[28]. Both the political and economic situations are dynamic and changeable; thus initiatives are always welcome to respond these new challenges. So the forces that drive the policy entrepreneurship vary. The science and technology advances can contribute materially to policy entrepreneurship, and new ideas, researcher’s proposals and brand-new devices are being adopted and applied into the practice to address and resolve new arising issues and challenges or to strengthen the cross-border regional competitiveness. On other occasions, the calculation may be more instrumental, and the cross-border initiatives may be just launched to get access to external financial sources and to attract Foreign Direct Investment (FDI). Or the motivation for further cooperation may be altruistic. The policy makers shall conduct thorough consultation and investigation, and representatives from both sides representing public, private and NGO’s interests shall work closely together so as to advance the so-called new political dispensation. Whatever the precise motives or goals are, collaborative initiatives of this type are significant as they can create a snowballing effect, which involves the initial activity generating even further action and so on^[29].

With the increasing cohesion, harmonization and integration of the cooperation and policies, the cross-border region is also integrated to a higher extent in terms of shared values, principles, cultures, and behaviour patterns^[30]. Due to the nature of the cross-border cooperation is comprehensive, covering both the economic and political fields, including a wide range of internal and external actors from various levels representing all kinds of interests, which have been well adjusted for integration under the enduring institutionalization. The integration mechanism of cooperation, collaboration and coordination of this model is dynamic and full of potentials. This dynamic cross-border collaborative mechanism circulates and spills over from one policy field to another, evolves from low to high levels, increases the importance and complex of the network, interlinks to foster the cohesion and integration of the cross-border zone so that a supranational intergovernmental institution like Europe Union is founded, just as clearly illustrated by the steel and coal communities that have expanded into the European community, where the traditional functions of internal borders are diminishing and more and more programs for cross-border cooperation among member and non-member states are funded.

With regard to NAFTA, do we have reasons to argue about its directions and outcome of the cross-border cooperation? Where will it go? Is it possible that economic integration leads to political

integration? We will try to look into these questions with a case study in the following section.

NAFTA: Case Study

Based on the thoughts presented in the preceding section on the trend of the regionalization and cross-border cooperation, this section illustrates the mechanism process by taking NAFTA, now USMCA, as an illustrative example. The following case study highlights the roles played by participants in the process of cross-border collaborative mechanism. It serves as an historical geography of institutional change, tracing both the history and varying spatial scales and locations of the endogenous and exogenous forces affecting events.

Geography of the Border

For decades, the United States border with Canada was called “the undefended border”. The United States and Canada share a 5,525-miles border which runs from north to south between Alaska and the Yukon Territory and British Columbia as well as from east to west from the Pacific to the Atlantic. 90 percent of Canadians live within 150 miles of the U.S. border, and many cross the border frequently each year for business and pleasure. Most of the border is a land border, but some miles of the border run through four of the Great Lakes (Superior, Huron, Erie and Ontario); the Great Lakes divide the industrial heartland of the United States from that of Canada, and so it is in this region that bridges carry traffic to the busiest border crossings in the world. The border between the United States and Canada is geographically diverse, crossing through forests, plains, mountains, rivers, and lakes. Just as important, some parts of this border trace the edges of major metropolitan areas. Seattle and Vancouver in the west, Detroit and Windsor, Toronto and Buffalo, and Ottawa and Montreal are border cities that rank among the largest metropolitan areas in North America, and nearby border crossings are the busiest by volume and value of trade and the number of travellers who cross daily. There are four primary corridors for traffic flows of goods and people across the U.S.-Canadian border. Each has distinctive characteristics and related problems.

History of the Cross-Border Cooperation

The trade history between U.S and Canada can be traced to the beginning of the 1900s. As trade between the two countries grew, justified private firms built bridges to connect Buffalo, New York and Fort Erie, Ontario (the Peace Bridge) in 1927, and Detroit, Michigan and Windsor, Ontario (the Ambassador Bridge) in 1929^[31]. During and after the first and second world war, the industrial heartland of Ontario and the U.S. Great Lakes economic region coordinated wartime production on an unprecedented scale. Trade between the two countries grew in the post-war years as more sectors integrated production to better supply customers through

economies of scale. This was especially important for Canada, with a smaller population that was spread out geographically across the continent. In 1986, the two countries signed the Canada-United States Free Trade Agreement, which brought about the huge volume of border crossing by the residents. NAFTA was signed in 1994, followed by the Illegal Immigration Reform and Immigrant Responsibility Act including a provision which required that a record be kept of every person who exits or enters the United States. This sparked a strong reaction in Canada.

Reform the Border Regime

Issues Regarding Border Management

After the terrorist attack on September 11, 2001 U.S. tightened security at the border and brought cross-border traffic to a halt. The economic impact was swift, the logistics to auto plants was disrupted and delayed, and the adoption of just-in-time inventory management once made firms more productive but now left them vulnerable to such disruptions. Some temporary measures intended for emergency fixes have been shifted from provisional to permanent, the matured border services were replaced by new infrastructure, new policies, and new personnel. To address the issue, the two countries signed in December 2001 the U.S.-Canada Smart Border Declaration (setting out principles and a shared vision of an efficient and secure border) and Action Plan (the list of action items to be addressed by both governments, separately or jointly). The U.S.-Canada Smart Border Action Plan had 30 points, grouped into four categories. Specific steps were taken to ensure the "Secure Flow of People" by categorizing border-crossers, for example, NEXUS for frequent border users, measures for screening terrorist-related border crossers, a joint review of visa waiver country lists and a sharing of watch lists among U.S. and Canadian visa issuance offices. In addition, "the Secure Flow of People" section of the U.S.-Canada Smart Border Action Plan committed the governments to continue to implement the preclearance of U.S. bound air passengers at major Canadian airports, sharing of air passenger information with binational passenger analysis teams positioned at major international airports in the two countries. Canada and the United States also agreed to jointly-develop compatible immigration databases, increase the number of immigration officers each country posted overseas and enhance the joint training of airline personnel regarding documents checking. The Action Plan of the U.S.-Canada Smart Border agreement has sections regarding "the Secure Flow of Goods" and "Secure Infrastructure" to coordinate physical and technological improvements to border points. Additionally, the governments planned to study and to develop emergency response. The U.S.-Canada Smart Border Action Plan has a section, "Coordination and Information Sharing in the Enforcement of these Objectives" stipulating law enforcement by expanding the use of Integrated Border Enforcement Teams, and Integrated Maritime Enforcement

Teams (IBETs/IMETs). The creation of the new Department of Homeland Security (DHS) had a dramatic effect at the land borders, reorganizing border personnel and reducing the autonomy of port directors. Whereas the U.S. Customs Service had sought a balance between security and traffic facilitation at the border, and put security first at the checking points. The new officials at the border were stricter and the culture of the U.S. borderlands gradually adapted to the new, less open approach to borders.

In Canada, however, changing U.S. border policy was a top concern. Canada protested in vain the requirement that U.S. citizens show passports to return to the United States from foreign countries (this had not been required for certain nearby countries in the past).

In March 2005, the Security and Prosperity Partnership (SPP) was introduced as a new model for coordinating the governance of North American integration and its attendant security risks. Under the SPP, the three federal governments established ten working groups to address security cooperation. The ten security working groups were matched by an equal number of "prosperity" working groups that operated on the same model, but separated regulatory issues related to trade, investment, and product safety from more security inspection and enforcement issues. The SPP is a quite complicated institutional arrangement involving too many agencies and departments to coordinate. The SPP failed to address the separation of the economic and security issues but brought about new problems. First, the SPP reinforced the split between security and facilitation at the border that was already a concern. Second, the SPP was a process that brought together federal officials only, leaving state, provincial, and local governments on the outside. The SPP operated entirely from a federal perspective. The failure of the SPP to meet the concerns of the business community became clear and there was a strong call to reform the border regime^[31].

Diversity of Borders and Border Users and Corresponding Solutions

Many problems became obvious and were complained for long. However, they are different in nature and urgency: some are old and persisting problems to be addressed immediately, while others are transitional; or are not possible to be approached due to great disagreements or no solutions identified yet. Some issues are obvious and easy for a solution. Generally, the border crossing is very cost and time-consuming, which in turn increase additional cost. As we can see from the above, many persisting problems are specifically related to particular sectors, businesses, regions or communities, they are difficult for federal governments to address without inputs from stakeholders. They are also not easy for federal officials to recognize before they are complained. Thus, when these problems do occur, the federal officials respond clumsily and defensively.

In order to maintain an effective and efficient border, the federal administration need to treat the border as a diverse set of communities. Those who cross the border are not a homogenous group, but have similar diversity. There are four geographically distinct northern border regions: Cascadian, Great Lakes, Rural, and Perimeter corridors, for access to and from the United States. Each requires a different mix of technology and infrastructure in response to local conditions. There are also five identifiable types of U.S.-Canadian border users: commercial shippers, regular commuters, energy flows, amateur travellers, and illicit border users, further enriching the heterogeneity of this border. Of the five users, only amateur travellers are related to cross-border tourism. The U.S federal government developed the Enhanced Driver's Licenses (EDL) that met Department of Homeland Security and Department of State standards for secure travel documents that can now serve as an alternative to passports for border crossers. The busiest section of the U.S.-Canadian border is the Great Lakes corridor. It collects Detroit and Port Huron in Michigan and the Buffalo and Niagara Peninsula crossings in New York, all connecting the U.S. industrial and agricultural heartland with Ontario, which is Canada's economic heart and home to 40 percent of the Canadian population and nearly half of Canadian GDP. Crossings here are very crowded and time-consuming and cost the users a lot. To address the issue of being long delayed, the border administrator established the Free and Secure Trade (FAST) Trusted Traveller program to reduce the cost. To address the congestion problem, the local government plans to improve the infrastructures^[31].

By identify the specific issues and categorizing border users, the border regime is actively responding and solving problems arising duo to prioritizing the security to efficiency. They are innovative with ideas and options to facilitate border crossing. Though the U.S-Canada border become thicker and less impermeable, we have full confidence to expect a security-efficiency balanced, tourist-friendly border regime.

Conclusion

Cross-border tourism has a very long history, and it passes down to us a rich legacy to inherit. At early days, people migrated for employment, but they were pioneers to mark the trails for us to follow. Their successful settlement at an alien land is a myth a waiting for us as tourists to uncover.

Wars and regional conflicts stopped the free movement of people with structures of border controls. Nation states dominate the world. Nevertheless, the thickening border does not absolutely stop exchanges, communication, travel and trade across the border. Globalization and regionalization lead us to the cross-border cooperation. The collaborative models are in the process of evolution. The mechanism for the cross-border cooperation is

dynamic and its potential is still great.

It is necessary to mention that inter-dependencies and tensions of the cross-border collaborative arrangement will likely entail continuities and changes over time as indicated with our NAFTA case study. This means that institutional path creation and path dependence are mutually inter-connected, reflecting agency-structure interactions. As a result, this shows the importance of the reciprocal institutional relationships between structural dependence and more open processes of human agency, chance occurrences and path creation.

Cross-border tourism cooperation could lead to 'soft' effects such as shared mentalities and the recognition of cross-border relations among the wider public instead of only among professionals and political stakeholders. It is applicable and transferable widely in social, cultural, and political transnational collaboration without geographic confinements. The established infrastructure and institutional arrangements could lead to a widespread local use and thereby break down infrastructural barriers to improving cross-border social life in borderlands.

It is also true as far as European Union and European integration are concerned. Cross-border tourism collaboration has become significant tourism phenomena throughout Europe. Various cross-border collaborative projects have been developed and practiced on different scales and on a Pan-European level as a vital means for European region-building, regional marketing and increasing the awareness for sustainable economic, social and political development.

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