Fostering Productive Internationalization at the Local Level: The Case of Córdoba Acelera

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Abstract

Productive internationalization policies have traditionally been led by national and regional governments. Yet many tradable services are territorially concentrated in cities, where local governments possess informational proximity to firms and authority over key operating conditions. This article examines Córdoba Acelera (CORACE), a development agency created by the city of Córdoba, Argentina, to analyze how local governments can engage in productive internationalization while complementing higher-level initiatives. CORACE deployed policy instruments to support underserved service sectors, drawing on coordination capacity and municipal regulatory competence. The case shows how cities can occupy a complementary policy space within multi-level governance frameworks in middle-income economies.

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I. Introduction

Productive internationalization policies (PIPs)—aimed at strengthening firms' productive integration into international markets—are typically concentrated at the national and regional levels of government. This allocation reflects a centralization logic based on economies of scale in policy design and implementation and the concentration of fiscal resources and state capabilities at higher levels. For example, trade regulation and international agreements are generally under national jurisdiction. Consequently, municipalities are seldom viewed as relevant actors in productive internationalization.

Yet the centralization logic described above coexists with structural features that point in a different direction. Productive activities—particularly knowledge-based and other tradable services whose international reach has expanded with digitalization—are strongly concentrated in urban areas. Municipal governments interact frequently with local firms and exercise regulatory authority over licensing, local taxation, infrastructure, and zoning, all of which directly affect business costs and competitiveness. These proximity and regulatory advantages create an under-explored local policy space within productive internationalization, especially in sectors where local regulations, coordination needs, and access to networks shape firms' ability to compete internationally. The question, then, is whether local governments can engage in this domain in ways that complement—rather than duplicate—national and regional policies.

This tension is particularly salient in Latin America, where productive development policies (PDPs) have long emphasized the need to strengthen international integration and diversify exports (Crespi et al., 2014; Salazar-Xirinachs and Llinás, 2023). In this context, PIPs have been predominantly organized around national export and investment promotion agencies and, increasingly, regional governments that combine innovation policies, cluster development strategies, and export or investment promotion initiatives (Volpe Martincus, 2010; Gascon et al., 2010; Aranguren et al., 2014; Llinás, 2021; Hallak and López, 2022; ECLAC, 2024). Municipal governments, by contrast, have generally focused on entrepreneurship, workforce training, or sector-specific promotion—often tourism and agricultural activities—rather than systematic strategies to strengthen firms' export capabilities or integration into global value chains.[1] This shift from broad local PDPs toward targeted PIPs represents a significant evolution in local state capacities, moving beyond traditional local service provision toward the management of factors that shape international competitiveness.

[1] Local governments are also involved in an agenda commonly referred to as "internationalization" aimed at fostering cultural and social development rather than productive transformation. This agenda typically includes activities such as student exchanges, cultural cooperation, and the exchange of policy experiences among local governments (Clark et al., 2010). While relevant for broader development objectives, these initiatives address distinct objectives from the PIPs examined here.

The broader resurgence of industrial policy in both advanced and emerging economies has renewed attention to questions of institutional design and state capabilities (Aiginger and Rodrik, 2020; Criscuolo et al., 2022; Evenett et al., 2024; Rodrik and Stiglitz, 2024). Governments have adopted ambitious strategies addressing technological upgrading, environmental transition, and global value chain resilience. While much of this debate centers on national strategies, it also raises broader questions about how responsibilities for productive transformation are distributed across levels of government and how different institutional layers can contribute effectively without duplication. In this context, examining the potential role of municipalities in productive internationalization becomes particularly relevant.

Against this background, this paper examines whether and how a local government can engage in productive internationalization by occupying a complementary policy space within a policy landscape largely shaped by national and regional authorities. We analyze the case of Córdoba Acelera (CORACE), a development agency created by the city of Córdoba, Argentina. The agency was established to promote knowledge-based and other tradable service sectors with export potential that were either underserved by higher-level initiatives or particularly affected by local regulations. By targeting these sectors and designing and deploying instruments within its jurisdiction, CORACE operated in domains where territorial proximity and local institutional leverage could provide distinct advantages relative to higher-level governments.

The contribution of the paper is twofold. First, it identifies and characterizes a local policy space in productive internationalization that emerges because these policies are largely concentrated at higher levels of government, while key productive activities and regulatory levers remain locally embedded. Second, it illustrates how institutional complementarity across levels of government can operate in practice, showing how local interventions can reinforce rather than duplicate higher-level policies. While the semi-autonomous agency model adopted in Córdoba represents one organizational response, the broader insight concerns the circumstances under which municipalities can contribute to productive internationalization in middle-income economies, particularly where tradable services play an expanding role in urban productive structures.

The remainder of the paper is organized as follows. Section II discusses the potential role of local governments in productive development policies. Section III describes the creation and institutional design of Córdoba Acelera. Section IV analyzes the agency's operations and the mechanisms through which it addresses the local policy space in productive internationalization. Section V concludes with key insights and policy implications.

II. Productive internationalization policies by local governments

II.a. Policy advantages and functional differentiation across government levels

In recent decades, governments have devoted increasing efforts and resources to the design and implementation of productive development policies (PDPs) aimed at fostering economic growth, employment, and productive diversification. This trend has been documented at the national level (Evenett et al., 2024; Juhász et al., 2024; Fernandes and Reed, 2026), the regional level (Gascon et al., 2010; International Labour Organization, 201), and the local level (Alburquerque, 2004; Correa and Dini, 2019). A related strand of the literature has focused on place-based policies, that is, interventions targeting specific regions or cities regardless of whether they are implemented by national, regional, or local governments (Slattery and Zidar, 2020; Bartik, 2020). The nature, scope, and instruments of these interventions, however, differ systematically across government levels. As ECLAC (2024) notes, all levels of government implement policies in areas such as technical education, workforce training, support for microenterprises and entrepreneurship, productive formalization, and the promotion of specific sectors. Yet while local governments typically concentrate their efforts in these domains, national and regional governments also operate in areas such as innovation and technology policy, support for strategic sectors, export promotion, and the attraction of foreign direct investment (FDI).

The differences in policy focus reflect a differential distribution of policy advantages across government levels. National governments possess institutional capabilities, fiscal resources, and international linkages that enable them to operate in areas requiring scale, macroeconomic coordination, or sustained interaction with global actors. These advantages are particularly evident in the deployment of productive internationalization policies (PIPs). For example, the provision of commercial intelligence on foreign markets—covering global trends, consumption patterns, and technical standards—as well as the provision of key public inputs supporting international integration, exhibit economies of scale: once the fixed costs are incurred, multiple exporters can benefit (Ahmad and García Escribano, 2006; Faguet, 2014; Weingast, 2014). Furthermore, national governments concentrate responsibilities such as foreign relations and trade policy, which require continuous engagement with foreign governments and coordination across state agencies.

Regional governments, in turn, often operate at an intermediate scale that allows them to combine territorial proximity with broader fiscal and technical capacities than those available to municipalities. They frequently engage in export and investment promotion, as well as in the coordination of regionally concentrated sectors or clusters. This intermediate position enables them to support the internationalization of regional industries while benefiting from economies of scale that exceed those of individual cities.

While local governments lack the economies of scale and formal authority over foreign representation enjoyed by higher levels of government, they benefit from territorial proximity to citizens and the local productive ecosystem (ECLAC, 2024). This proximity provides access to granular and up-to-date information about local socioeconomic conditions and the specific constraints faced by firms (Wallis and Oates, 1988). Through direct interaction with the productive sector, local authorities may identify human capital gaps that hinder firms' growth or technological upgrading, detect shortages of relevant public inputs, or recognize municipal regulations and administrative procedures that raise costs or delay business expansion. In contexts where such locally embedded constraints affect firms' participation in international markets, these informational and regulatory advantages can become particularly relevant.

This type of information—and the capacity to adjust locally embedded regulations—is costly for higher levels of government to mobilize, particularly when conditions vary significantly across cities. These informational and regulatory advantages create scope for local governments to design PDPs tailored to their territorial realities, potentially extending into the realm of productive internationalization policies (PIPs), which have traditionally been concentrated at higher levels of government. However, the incentives for local intervention depend critically on the territorial distribution of the resulting benefits. Local governments are more likely to invest in policies—such as workforce training aligned with technologies adopted by local industries—when the gains accrue predominantly to firms and workers within their jurisdiction. Conversely, when policy-induced benefits generate substantial spillovers to neighboring municipalities, local incentives to intervene weaken, reinforcing the rationale for coordination or intervention at higher levels of government (OECD, 2019).

At the same time, many large urban centers have undergone significant changes in their economic structure. On the one hand, stricter environmental regulations, land-use constraints, and rising urban costs have gradually displaced manufacturing activities toward suburban or peripheral areas (Hudalah et al, 2013; Lee et al, 2016; Heider and Siedentop, 2020). On the other hand, the rapid digitalization of economic activities has expanded the international tradability of many knowledge-based services—such as software, professional services, audiovisual production, and certain educational and creative activities—allowing firms located in dense urban environments to access global markets without relying on large-scale physical export infrastructure (Krätke, 2007; Di Giacinto et al, 2020). As a result, cities have consolidated their role as hubs for tradable services, supported by universities, skilled labor pools, and digital connectivity. This structural transformation creates scope for local governments to engage more directly in productive internationalization. However, doing so requires institutional adaptation, since PIPs have been traditionally concentrated at higher government levels.

II.b. Implementation challenges

The implementation of PDPs at the local level faces significant constraints stemming from limited scale, restricted fiscal resources, and uneven state capabilities. These factors shape the scope of policy engagement that municipalities can realistically undertake, as well as the instruments they are able to design and manage effectively. These constraints are particularly salient in the case of PIPs, where coordination, information management, and sustained engagement with firms are central to policy effectiveness.

Coordination across government levels is a recurring challenge in the implementation of PDPs (Crespi et al., 2014; ECLAC, 2024; Berkowitz et al., 2025; Hanson et al., 2025). This challenge is also present in the specific domain of PIPs. At a basic level, coordination may involve local governments acting as facilitators of access to programs, subsidies, and financing provided by provincial or national authorities (Ianuzzi et al., 2024). In this role, local officials gather and disseminate information on higher-level instruments and assist firms throughout the application process. Effective facilitation requires maintaining regular contact with relevant agencies to ensure timely and accurate information. However, this model does not require municipalities to develop significant policy design capabilities, as these responsibilities remain concentrated at higher levels of government, nor does it typically entail substantial fiscal commitments beyond personnel and operating costs.

Alternatively, local governments may adopt a more ambitious stance by designing and implementing their own PIP instruments, while still facilitating access to higher-level programs. In this role, they may either fill policy gaps by targeting sectors or constraints overlooked by other jurisdictions, or complement initiatives already undertaken at the national or regional level. In either case, effective policy design requires specific state capabilities: detailed knowledge of the local productive structure, the legal and administrative authority to implement support instruments, and institutional arrangements that ensure implementation efficiency and policy continuity. Moreover, coordination with other levels of government remains essential to prevent duplication and enhance policy impact, alongside coordination within the local administration itself.

When local governments adopt a more ambitious role in designing and implementing PIP instruments, institutional organization becomes a key determinant of policy effectiveness. These interventions require an organizational arrangement capable of building and sustaining the state capacities needed for policy design, implementation, and adaptation over time. This includes not only technical knowledge of local productive structures and firm-level constraints, but also the ability to maintain continuity across political cycles and to coordinate with other areas of government whose decisions affect production and internationalization, even when these are not their primary policy objectives. In this sense, institutional design is not merely an administrative matter: it shapes whether local PIPs can move beyond isolated initiatives and become stable, coordinated, and operationally effective policy efforts.

Different organizational arrangements entail distinct trade-offs. Embedding policy functions within the municipal administration strengthens alignment with the incumbent political leadership but increases the risk of discontinuity across electoral cycles. By contrast, establishing a more autonomous public agency—such as CORACE—can promote stability, professionalization, and a longer-term policy orientation, albeit at the potential cost of weaker integration with the central administration's priorities and other municipal departments.

Institutional design also influences the nature of public–private dialogue. When policy functions remain embedded within the broader municipal administration, interactions with firms may be dominated by regulatory or tax concerns, potentially sidelining longer-term competitiveness and internationalization objectives. By contrast, a specialized agency with a dedicated team focused on productive upgrading and internationalization can help structure dialogue around these strategic challenges. At the same time, many policy areas relevant to achieving international competitiveness—such as urban planning, infrastructure, workforce training, and licensing and other regulatory approvals under municipal jurisdiction—remain the responsibility of other municipal departments. If an autonomous agency becomes insufficiently integrated with these areas, coordination problems may arise. The appropriate organizational choice therefore depends on the type of policies pursued, the institutional maturity of the municipality, and its capacity to coordinate across administrative units and with private actors.

Over the past decades, several regional governments have created specialized agencies to implement PDPs related to productive internationalization. Notable examples include SPRI in the Basque Country (Ahedo, 2004; Aranguren Querejeta, 2010; Aranguren et al., 2014; International Labour Organization, 2017) and ACCIÓ in Catalonia (Gascón et al., 2010; ACCIÓ, 2022), which manage export and investment promotion alongside broader productivity-enhancing instruments at the regional scale. Such institutional arrangements are comparatively common at the regional level, where governments combine territorial scope with substantial fiscal and administrative capacity. By contrast, specialized agencies dedicated to productive internationalization are far less frequent at the municipal level. In the United States, Hanson et al. (2025) identify "local intermediaries" that primarily channel national and regional resources rather than design autonomous instruments. Similarly, Berkowitz et al. (2025) note that European Union cohesion funds are typically administered through national or regional intermediaries. This relative scarcity of dedicated municipal agencies underscores the analytical relevance of examining cases—such as CORACE—where cities seek to occupy a more active role in productive internationalization.

III. Córdoba Acelera: Institutional design and policy instruments

The conceptual discussion above highlights the conditions under which local governments may occupy a complementary policy space in productive internationalization, as well as the institutional trade-offs involved in doing so. This section examines the case of Córdoba Acelera (CORACE) through that analytical lens. We focus on the agency's origins, governance structure, and strategic orientation to assess how the city of Córdoba sought to translate a more ambitious municipal role into institutional practice within a multi-level policy environment.

Córdoba City is Argentina's second most populated city, with approximately 1.5 million inhabitants and a diversified urban economy.[2] The city hosts a consolidated higher education system, including several public and private universities that attract students from across the country. This educational base, together with technology centers, industrial parks, and an active network of business chambers and sectoral clusters, contributes to a dense institutional environment and a significant pool of skilled labor. In addition, longstanding interactions among academia, private firms, and the municipal government have supported structured public–private dialogue. These features help explain why Córdoba provides a plausible setting for the emergence of a locally driven productive internationalization agenda.

In this context, the Municipality of Córdoba created in 2021 Córdoba Acelera (CORACE) as a specialized agency tasked with promoting productivity and productive internationalization within the city's economy.[3] Its establishment formed part of a broader municipal strategy that placed international integration at the center of local productive policy. Rather than limiting municipal action to traditional areas such as entrepreneurship support or workforce training, the city sought to strengthen the participation of locally concentrated service sectors in global markets through export promotion, investment attraction, and coordinated sectoral upgrading. This orientation represents a departure from the conventional scope of local PDPs, which have typically avoided direct engagement in productive internationalization.

The study combines qualitative fieldwork with documentary analysis. Between May and November 2023, we conducted 29 semi-structured interviews with key actors involved in CORACE's creation and operation, including municipal officials, business leaders, cluster managers, and experts in local development policies. The fieldwork was complemented by direct observation at the Latin American Cluster Congress—organized by CORACE and the TCI Network with support from Córdoba City—and by the systematic review of regulatory documents, institutional materials, and program information published by the agency. This combination of sources allows us to reconstruct the rationale behind CORACE's institutional design and to analyze its strategic orientation within the broader multi-level policy framework.

III.a. Institutional design

[2] Córdoba City is also the capital of the Province of Córdoba, one of the Argentine provinces with the most diversified and sophisticated industrial base, including agribusiness, manufacturing, and services.
[3] Although Córdoba Acelera was formally created in October 2021, it only began operating in August 2022, once its regulatory framework had been enacted and its organizational and functional structure had been approved.

CORACE was established as the entity responsible for coordinating and implementing local productive development policies (PDPs) with a strong orientation toward productive internationalization policies (PIPs) within Córdoba City. Although formally embedded within the municipal government, its institutional design incorporates structured participation from the private sector in the planning and strategic orientation of policies. This emphasis on public–private interaction is reflected in its governance structure, which combines political leadership with advisory participation from representatives of the local business community. Operational implementation, however, remains under public-sector authority.

CORACE's political leadership is vested in a board composed exclusively of public-sector representatives, including the City's Secretary of Economy and Finance as president and two directors. In parallel, the agency established a Consultative Council composed of business leaders and professionals from different productive sectors, as well as a representative from the City Council affiliated with the political opposition. The Council performs an advisory role in strategic planning and policy design, serving as an institutionalized forum for dialogue between the municipal government and the local productive ecosystem. While strategic orientation incorporates private-sector input through this consultative mechanism, executive authority and operational decisions remain within the public administration. The agency's managerial team consists of professionals with prior experience in implementing PDPs at other government levels, knowledge of the local productive environment, and interaction with provincial and national institutions.

One of the central strategic decisions in CORACE's design was to concentrate its activities on tradable services, particularly knowledge-based sectors. This focus reflected an effort to specialize in areas where municipal intervention would be both territorially aligned and complementary to higher-level policies. Many goods-producing sectors—such as the automotive value chain, agricultural machinery, or agribusiness—extend beyond municipal boundaries and are already the subject of active provincial and national policies. Municipal intervention in those sectors would likely generate benefits spilling over to firms and workers outside the city's jurisdiction. By contrast, knowledge-intensive services are more geographically concentrated within Córdoba City and, in several cases, receive limited direct support from higher levels of government. This sectoral concentration strengthens the alignment between local policy effort and local economic returns, while opening scope for a municipal contribution to productive internationalization.

In addition to sectoral concentration, the local level often exercises regulatory authority and controls operational instruments that directly shape the conditions under which these knowledge-based services operate. This reinforces the rationale for selecting them as priority policy targets. For example, the incorporation of Building Information Modeling (BIM) requirements into municipal procedures can create incentives for firms to adopt the methodology in order to participate in urban construction projects. Likewise, municipal regulation of filming in public spaces and the granting of permits positions the city government as a decisive actor in the development of the audiovisual sector. Thus, CORACE's sectoral focus reflects not only the identification of underserved areas within the broader policy landscape, but also a strategic emphasis on activities where municipal decisions materially affect firms' costs, incentives, and capacity to compete.

CORACE designs and implements its own policy instruments, with a focus on productivity enhancement and productive internationalization. These instruments operate at both the firm and sectoral levels and are detailed in the following subsection. Beyond individual programs, the agency plays a coordinating role within the city's productive development and internationalization agenda. It maintains structured interaction with business chambers, clusters, and sectoral associations to identify constraints and align policy responses. It also collaborates with universities and training institutions to connect skill formation with sectoral needs. Internally, CORACE engages with municipal departments responsible for infrastructure, environment, mobility, and administrative procedures, whose decisions affect firms' operating conditions even when not explicitly framed as productive policy. In this way, the agency functions as a node of coordination linking sectoral initiatives, regulatory domains, and broader municipal action related to economic activity.

CORACE has established working relationships with provincial and national agencies in order to coordinate initiatives and articulate its local strategy with broader productive development efforts. At the national level, these interactions have included the Secretariat of Industry and Productive Development, the Secretariat of the Knowledge Economy, and the Argentine Investment and International Trade Agency (AAICI).[4] At the provincial level, CORACE engages with the Secretariat of Industry of the Province of Córdoba, ProCórdoba—the provincial export promotion agency—and the Córdoba Competitiveness Agency. Through these linkages, the agency exchanges information, disseminates available instruments to local firms, and explores areas of policy complementarity. However, CORACE does not currently operate a dedicated unit to assist firms in systematically accessing programs managed by higher levels of government. This institutional gap limits the depth of coordination and represents a potential area for further development.

In sum, the creation of CORACE represents an institutional attempt to structure a municipal agenda oriented toward tradable, knowledge-based services concentrated within the city's boundaries. The agency's design reflects the trade-offs discussed in Section II: it combines political anchoring with structured public–private dialogue and selective coordination with higher levels of government. Its sectoral focus and governance configuration indicate a deliberate effort to operate within a local policy space shaped by territorial concentration and municipal regulatory competence, particularly in activities where city-level decisions materially affect firms' ability to compete internationally.

[4] The description provided here corresponds to the national organizational chart in force on December 9, 2023.

III.b. Initiatives and implementation

To operationalize its productive internationalization agenda, CORACE manages three main programs addressing complementary dimensions of sectoral upgrading and global integration. These are: the Córdoba Cluster Initiative, which supports coordination and export-oriented development within selected service sectors; Invest Córdoba, focused on attracting FDI and supporting the expansion of internationally oriented firms; and Acento Global, which mobilizes the city's international networks to support local firms and initiatives. Together, these programs combine instruments aimed at strengthening productivity, facilitating international market access, and enhancing the city's integration into global markets. Each program is described below.

Córdoba Cluster Initiative

Clusters are geographic concentrations of firms operating within the same or related industries. Such agglomerations facilitate the emergence of specialized suppliers, sector-specific human capital, and knowledge spillovers that can enhance firm productivity. Governments often support cluster development as a mechanism to address coordination failures, identify shared bottlenecks, and promote collective upgrading, including export-oriented strategies (Salazar-Xirinachs, 2020; Llinás, 2021; ECLAC, 2025).

Since 2022, CORACE has operated the "Córdoba Cluster Initiative" as its central program. The initiative supports nine clusters in knowledge-intensive and service-oriented sectors with the objective of strengthening productivity and export capacity. Sectors were selected based on their growth potential, capacity to generate quality employment, and degree of existing institutional organization, which facilitates coordinated action. The clusters initially supported under this initiative were:

- Building Information Modeling (BIM)
- Business Process Outsourcing (BPO) and Knowledge Process Outsourcing (KPO)
- Conventions and events
- Audiovisual
- Franchising
- Localization and interpretation (translation and audiovisual interpretation)
- Advertising
- Medical tourism
- University tourism.

The program is designed to address coordination failures and information asymmetries within each sector. It facilitates structured interaction among firms, public authorities, and academic institutions, encouraging each cluster to formulate a collective development strategy with a strong internationalization component. These strategies typically define export priorities, identify shared public goods, outline human capital development needs, and plan participation in international promotion activities. Each cluster appoints a manager responsible for leading the design and implementation of its strategic plan. CORACE finances the cluster manager's salary and supports selected activities, while strategic priorities are defined autonomously by cluster members.

During its initial phase, the Cluster Initiative translated sectoral strategies into concrete actions that combined coordination, skill development, regulatory adjustments, and participation in international markets. Although instruments varied across sectors, most clusters relied on a mix of collective planning, targeted training, and engagement in export promotion activities. The cases discussed below reflect the range of policy mechanisms deployed across the prioritized sectors:

BIM. The Building Information Modeling (BIM) cluster brings together architecture and engineering firms promoting the adoption of digital construction methodologies that integrate design and project management into a unified system. Early actions combined skill development, regulatory alignment, and international exposure. The cluster designed a training program in BIM methodology and financed 200 scholarships for members of Córdoba's Civil Engineering and Architecture Associations, as well as candidates proposed by local universities and the Construction Cluster, thereby expanding sector-wide technical capacity. At the same time, the municipality incorporated a "BIM button" into its online platform for construction plan submissions, streamlining approval procedures and creating incentives for firms to adopt the methodology. Firms within the cluster also participated in Autodesk University in the United States, strengthening their international networks and visibility.

BPO/KPO. The Business Process Outsourcing (BPO) and Knowledge Process Outsourcing (KPO) cluster encompasses firms providing back-office and knowledge-based services to domestic and international clients. These activities were identified as dynamic service exports with significant employment potential, particularly for young people and women. The cluster's principal instrument was a municipal program aimed at generating 1,000 new jobs, under which eligible workers received a wage supplement equivalent to 15% of their salary during the first year of employment. Additional initiatives included training programs, support for technological upgrading, and participation in international market development activities.

Conventions and events. This cluster brings together firms organizing conferences, fairs, and large-scale events, as well as the local Chamber of the Entertainment Industry and Córdoba's major football clubs, which operate as key venues for high-attendance events. The initiative seeks to coordinate these actors to strengthen the city's capacity to attract national and international conventions and shows. Early measures included the creation of a multisectoral events calendar to improve coordination and avoid scheduling conflicts. CORACE also established cooperation with Visit Buenos Aires to coordinate joint promotional actions, including hosting international buyers, rotating events between cities, and co-participating in trade fairs. In addition, the cluster introduced a promotional regime that created a registry of event organizers and a partial reimbursement scheme for eligible local expenditures incurred by event organizers.

Audiovisual. The audiovisual cluster covers firms engaged in film, television, and digital media production. Its principal instrument was the creation of a promotional regime for audiovisual activities in Córdoba. This regime includes a "Film and Audiovisual Management Office" to facilitate the use of city locations, a public–private film commission, and a reimbursement scheme for some production expenditures incurred locally.

Because municipal authorities are responsible for authorizing filming in public spaces and coordinating permits involving private locations, the city government occupies a pivotal regulatory position in this sector. CORACE leveraged this authority to streamline authorization procedures and coordinate public and private actors in developing catalogs of filming locations and local service providers. In parallel, cluster firms participated in Ventana Sur—Latin America's leading audiovisual content market—with private-sector funding, strengthening their access to international distribution networks.

Other clusters. At the time of the interviews, the franchising, medical tourism, and localization and interpretation clusters were at earlier stages of institutional development. In these sectors, efforts were focused on consolidating representative structures, defining collective strategic priorities, and identifying priority foreign markets. These activities reflect the ongoing extension of the cluster model to additional service sectors with export potential.

Across the supported sectors, the cluster initiatives show how CORACE structured coordination in tradable services concentrated within the city. By combining joint sectoral planning and priority-setting, targeted training and skill development initiatives, selective fiscal incentives, participation in international promotion activities, and adjustments in municipal regulations and administrative procedures, the program expanded the scope of city engagement relative to traditional local development support functions. This configuration positioned the Cluster Initiative as a central component of the city's productive internationalization agenda.

Invest Córdoba

Invest Córdoba originated as the Investor Service Center, initially created to respond to inquiries from potential investors interested in the city. Although established prior to CORACE, it has operated under the agency's coordination since February 2023. Over time, the program has evolved toward a more proactive strategy focused on attracting foreign investment and supporting the expansion of internationally oriented firms. Its institutional benchmarks include investment promotion agencies such as Uruguay XXI, ProPanamá, InvestBA (Buenos Aires), Barcelona Global, and InvestMinas (Minas Gerais).

Promotion efforts include participation in national and international investment forums, engagement with other investment promotion agencies, membership in networks such as the LAC Investment Network, and collaboration with bilateral chambers of commerce. Cooperation agreements—such as the one signed with InvestMinas—facilitate the exchange of technical assistance and the adoption of best practices in investment promotion. The program also coordinates with other CORACE initiatives, for instance by hosting international clients of cluster firms and fostering linkages between local sectors and foreign counterparts.

In addition, Invest Córdoba provides aftercare services to multinational firms operating in the city, supporting the expansion and consolidation of existing investments. A planned—though not yet implemented—function is to advise municipal authorities on regulatory or administrative obstacles that hinder investment projects, with the aim of facilitating adjustments or reforms.

Another line of action is the “Digital Nomads” program, aimed at attracting remote workers engaged in internationally tradable services. The initiative seeks to position the city as a destination for globally mobile professionals by offering registered participants discounts—provided by local firms—on accommodation, dining, and cultural or recreational services. A central challenge for the program lies in improving the city’s visibility and rankings on international platforms that evaluate remote-work destinations based on criteria such as connectivity, cost of living, and urban amenities. To the extent that these inflows strengthen the local ecosystem of internationally tradable services, the initiative complements more conventional investment-promotion functions.

Invest Córdoba represents a second dimension of municipal engagement in productive internationalization: the attraction of foreign investment and the support of firms engaged in international markets, including aftercare services for established investors. Although such functions are traditionally associated with national or regional agencies, the program operates at the city level through direct interaction with investors, coordination with municipal departments, and participation in international investment networks. Rather than substituting higher-level institutions, it seeks to complement them by addressing locally embedded aspects of investment projects and facilitating firm-level international integration.

Acento Global

Acento Global seeks to mobilize Córdoba’s diaspora—comprising professionals, business leaders, and entrepreneurs residing abroad—to support the city’s productive internationalization efforts. Proposed by the Consultative Council and designed in late 2022, the program aims to leverage international professional networks to facilitate knowledge exchange, market access, and investment linkages. By December 2023, it had built a network of 200 participants located in 90 cities across 35 countries.

The program facilitates the dissemination of local productive initiatives and promotes joint activities between diaspora members, CORACE programs, and other municipal areas. Network participants contribute through knowledge transfer, mentoring, and professional linkages. For example, members have provided training to cluster firms on sustainability standards and diversity practices, as well as technical guidance to municipal officials on data science applications in public administration. Others have collaborated with cluster managers on sector-specific regulatory issues—such as in the audiovisual, advertising, medical tourism, and university tourism sectors—or helped expand firms' access to international contacts and potential investors.

New members are incorporated through multiple channels, including recommendations by CORACE directors or members of the Consultative Council, referrals from existing participants, and self-nomination through the program's website. In all cases, applicants are interviewed to assess their professional background, availability, and potential contribution to the network. This selection process seeks to ensure that participation is aligned with the program's productive and internationalization objectives.

Acento Global represents a third modality of municipal engagement in productive internationalization, centered on the mobilization of transnational professional networks. Rather than relying primarily on fiscal incentives or regulatory instruments, the program operates through knowledge exchange, reputational linkages, and the facilitation of international contacts. By institutionalizing diaspora engagement within the city's productive strategy, the initiative expands the set of tools available to the municipality for supporting firms' integration into global markets while remaining complementary to higher-level export and investment promotion policies.

In addition to the programs described above, CORACE temporarily incorporated an innovation-oriented initiative (CORLAB) aimed at supporting startups addressing urban public challenges. Although the initiative contributed to the city's broader innovation ecosystem, it was not primarily designed as a productive internationalization instrument. Given its distinct focus and subsequent institutional relocation, it falls outside the core scope of this analysis.

The institutional configuration and program portfolio of CORACE reflect a deliberate attempt by the municipality to engage in productive internationalization through instruments adapted to locally concentrated service activities. The agency combines sectoral coordination, investment promotion, and transnational network mobilization within a single organizational framework, while maintaining selective coordination with provincial and national authorities. The following section examines how these institutional choices and policy instruments interact to define the scope and limits of municipal action in productive internationalization.

IV. Wider regional policy implications

The CORACE experience suggests that recent changes in the economic structure of large cities have expanded the scope for municipal engagement in productive internationalization. Over time, manufacturing activities have tended to relocate away from dense urban centers due to land-use pressures, environmental regulation, and rising urban costs. At the same time, knowledge-based and other tradable services—long concentrated in cities—have gained economic weight, while digitalization has expanded their capacity to reach international markets. Urban economies increasingly depend on service activities whose international integration does not rely on large-scale export infrastructure. In this context, the municipal level is no longer confined to supporting entrepreneurship or workforce training; it may also influence firms' international integration through coordination, regulatory facilitation, and targeted sectoral upgrading. This shift does not imply that municipalities should replicate national export agencies; rather, it points to the emergence of a distinct local agenda within productive internationalization.

IV.a. The emergence of a municipal policy space

The municipal policy space in productive internationalization emerges when locally concentrated tradable services become central to urban economies and when municipalities strategically deploy their proximity, coordination capacity, and regulatory tools toward internationally oriented sectors.

At the municipal level, productive internationalization assumes a differentiated form. It does not involve trade negotiations, macro-level export finance, or national commercial intelligence systems. Rather, it operates through sectoral coordination, collective priority-setting, investment facilitation, mobilization of transnational networks, and the alignment of local regulations and administrative practices with firms' international ambitions. Some of these instruments address specific bottlenecks; others seek to enhance sectoral positioning and global visibility. Together, they define a locally grounded agenda of international integration.

The scope of this agenda depends less on the formal existence of regulatory competences—which most cities possess—than on the strategic decision to deploy those competences in support of internationally oriented sectors. Where tradable service activities represent a meaningful share of the urban economy, municipal authorities can activate regulatory tools, coordination platforms, and public–private dialogue mechanisms to influence firms' international performance. Informational proximity, in turn, is not merely inherited; it is constructed through institutional arrangements that structure interaction with firms, universities, and sectoral associations. Municipal productive internationalization thus emerges not automatically from structural change, but from deliberate organizational and policy choices.

The CORACE experience illustrates how this policy space is constructed through the strategic reorientation of locally available instruments toward service sectors with international potential, rather than through the replication of higher-level policy tools.

IV.b. Institutional complementarity across levels of government

The emergence of a municipal agenda in productive internationalization does not displace the central role of national and provincial governments. Rather, it introduces a differentiated layer of intervention within a multi-level policy environment. The CORACE experience shows how municipal action can complement higher-level policies by operating in territorially specific and administratively embedded domains.

Complementarity is visible, first, in sectoral selection. By concentrating on tradable service activities geographically concentrated within the city and receiving limited direct support from higher-level agencies, CORACE reduced the risk of policy duplication while reinforcing the broader ecosystem supporting international integration.

Second, complementarity operates through regulatory interface. While national and provincial authorities design export incentives, trade facilitation instruments, and macro-level investment policies, municipal authorities control administrative procedures and regulatory frameworks that shape local implementation. In sectors such as audiovisual production, construction services, or large-scale events, the speed and predictability of municipal permit approvals can materially influence competitiveness. Aligning these regulatory domains with sectoral strategies strengthened the effectiveness of broader internationalization efforts without substituting higher-level instruments.

Third, complementarity emerges through coordination platforms. Cluster organizations, diaspora networks, and local investment facilitation initiatives operate at a scale where sustained interaction with firms is feasible. These mechanisms do not replace national commercial intelligence systems or export financing schemes; rather, they enhance firms' preparedness to utilize them. Municipal action can thus increase the absorptive capacity of local firms vis-à-vis programs managed at higher levels of government.

Complementarity, however, is not automatic. The absence of a dedicated municipal unit systematically channeling firms toward provincial or national instruments reveals an incomplete dimension of coordination. Institutional linkages exist, but the depth of vertical integration remains limited. Effective complementarity therefore requires deliberate design and sustained intergovernmental coordination.

IV.c. Limits and constraints of municipal engagement

While the CORACE experience demonstrates the viability of a municipal productive internationalization agenda, it also reveals its structural limits. Municipal action operates within constraints of territorial scope, fiscal capacity, and political sustainability that shape both the reach and durability of intervention.

The first limitation concerns territorial spillovers. Even when municipal policies target activities located within the city, value chains and labor markets often extend beyond administrative boundaries. This dynamic partly explains CORACE's strategic focus on knowledge-based service sectors rather than on goods-producing industries such as automotive manufacturing or agribusiness, where benefits would likely disperse across a broader regional territory. Where economic gains are geographically diffuse, the alignment between municipal effort and local returns weakens.

Second, fiscal capacity constrains the magnitude and type of instruments available. Municipalities typically lack the resources to provide large-scale export finance or substantial investment subsidy schemes. Their contribution lies instead in targeted incentives, regulatory adjustments, coordination platforms, and place-based facilitation. This limitation reinforces the importance of complementarity with provincial and national frameworks capable of supplying large-scale financial instruments (e.g., export finance) and macro-level policy tools beyond the city's reach.

Third, political and institutional continuity represents a governance challenge. The semi-autonomous design of CORACE seeks to balance professionalization and stability with alignment to elected municipal leadership. This trade-off is not unique to the local level; similar tensions arise in national and provincial development agencies. While autonomy may enhance resilience across electoral cycles, it can also generate coordination challenges with central administrations. In the case of CORACE, this professionalization was specifically underpinned by a hiring policy that was disruptive for the municipal level: recruiting technical profiles with extensive field experience in development policies. By incorporating staff who had already implemented similar programs at other levels of government, the agency not only gained immediate technical legitimacy but also facilitated smoother inter-jurisdictional coordination. Ultimately, the long-term sustainability of municipal productive internationalization depends on institutional arrangements that reconcile strategic continuity with political legitimacy.

Finally, the scope for municipal engagement varies across cities. The feasibility of a locally driven productive internationalization agenda depends on the relative weight of tradable service activities within the urban economy, the density of sectoral organizations and institutional actors, and the municipality's capacity to coordinate them. Where these conditions are weak, the space for meaningful intervention narrows accordingly.

IV.d. Implications for multi-level governance

The CORACE case suggests that productive internationalization in contemporary economies cannot be understood exclusively as a national or regional function. Under certain urban conditions, it becomes a differentiated responsibility shared across levels of government.

The implication is not that municipalities should expand indiscriminately into domains traditionally reserved for higher-level authorities. Rather, the growing relevance and tradability of service activities in urban economies create scope for municipal governments to influence firms' international integration through coordination, regulatory alignment, and network mobilization.

Municipal productive internationalization thus operates through specificity rather than scale. It reinforces broader policy architectures by activating locally embedded instruments and institutions. Its contribution is conditional, not universal: it depends on urban economic structure and institutional capacity. Where these features are present, cities can play a non-trivial and complementary role within multi-level productive development strategies.

V. Conclusions

Productive internationalization has traditionally been treated as a national or regional policy domain, reflecting differences in scale, fiscal capacity, and formal authority. Municipal governments have therefore played only a marginal role in strategies aimed at strengthening firms' integration into international markets.

The case of Córdoba Acelera suggests that this allocation is not immutable. As knowledge-based and other tradable services have gained economic relevance within cities, and as digitalization has expanded their access to global markets, a distinct municipal policy space can emerge. Where internationally oriented activities are territorially concentrated and local governments possess regulatory authority over key aspects of the business environment, municipalities may influence firms' international integration through sectoral coordination, regulatory alignment, investment facilitation, and network mobilization.

CORACE illustrates how such engagement can operate as a complementary layer within a multi-level governance framework rather than as a substitute for higher-level institutions. Its contribution lies in activating locally embedded instruments in support of service sectors with international potential, while maintaining articulation with provincial and national policies.

The broader implication is conditional rather than universal. Municipal productive internationalization policies are viable where urban economic structure and institutional capacity provide a foundation for coordinated action. Under these conditions, cities can play a differentiated and non-trivial role within multi-level productive development strategies. Where these features are absent, the scope for meaningful intervention remains limited.

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