

# Bringing the Californias together

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**By Mary L. Walshok and Kenn Morris**  
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On the heels of recent significant meeting between California Gov. Arnold Schwarzenegger and Gov. Eugenio Elorduy of Baja California Norte and an initial meeting today between Mayor-elect Jerry Sanders of San Diego and Mayor Jorge Hank Rhon of Tijuana, it is important that citizens and leaders throughout the crossborder region begin to recognize the promising economic growth potential for both San Diego County and Baja California, were we to be more collaborative.

Over the last 20 years, each side of the San Diego-Baja California border region has grown in extraordinary ways. Both have added more than 100,000 jobs in what are considered high value added globally competitive clusters; both have experienced growth and diversification of business services and managerial "know-how;" both have significantly expanded research institutes and high education institutions, and both enjoy a level of prosperity that exceeds that of other regions in Mexico and the United States.

In spite of this extraordinary parallel growth, there have been few deliberate efforts to identify the economic synergies in the crossborder region or to develop integrated economic development strategies. Given these dynamic trends on both sides of the border, why have there not been more deliberate efforts to collaborate and jointly market our assets, in a way that would enhance the global competitiveness of both Baja California's and San Diego's high-tech clusters.

This question is especially significant, given new global competitiveness challenges. Business and civic leaders across the United States are actively discussing the exciting ideas presented in Thomas L. Friedman's new book, "The World Is Flat." Friedman makes a compelling case that a variety of forces are shaping the competitiveness environment for the United States as we move into the 21st century.

They include such things as the end of the Cold War and the opening of political and economic relationships with former communist nations; the public stock offering of Netscape in 1995, changing forever global communications with the universal accessibility of the Internet, and of course, the unexpected growth in the outsourcing and offshoring of a variety of technical and business services. With all of this has come the growth of what Friedman refers to as a global "intellectual commons," to which all countries, all innovators have equal access, creating for the first time in human history a truly "level playing field" for economic competitiveness in the provision of goods and services across the globe.

Less discussed, but equally important from our point of view, is a recent article in the Atlantic Monthly by Richard Florida, author of the book "The Rise of the Creative Class." Florida argues that rather than being flat, the world is "spiked." Florida's focus, in contrast to Friedman's, is not on manufacturing, outsourcing, supplier relations and technical and business services. Rather, he examines the research, development and creativity side of the economic competitiveness equation.

Florida's article includes a number of maps of Europe, Asia and the Americas, vividly illustrating that only a few regions have high concentrations of basic research, research and development and patenting and licensing activity. Research and creativity are the "seed corn" for the innovative new products and services that are being released across the global marketplace and these represent today a spiked, not a flat work.

Both Friedman and Florida are correct. Florida is correct that innovation capacity, the depth and breadth of basic research institutions and R&D companies and venture capital, is not equally distributed around the globe. It is, in fact, concentrated in regions rich in research institutions and/or concentrations of creative talent. Los Angeles continues to be the center of the global entertainment industry. San Diego, San Francisco and Boston are the global centers of life science research, development and innovation. The list could go on and on.

Nonetheless, Friedman's argument also is correct. The job creation and wealth creation potential of all this innovation is increasingly more equitably distributed across the globe because of the ability of well-educated populations drawing on new communication and transportation technologies to build and deliver products and services quickly and cheaply.

What is remarkable about the crossborder region in which we live is that it is both spiked and flat when most places – Houston, Boston, Chicago – are one or

the other. In fact, across the length of the Californias – from the Silicon Valley to Los Angeles to San Diego to Tijuana to Mexicali to Ensenada – there is a collection of basic research, research and development, manufacturing and distribution capabilities unparalleled anywhere in the world. Were leadership across the state of California and across Baja California to acknowledge the extraordinarily distinctive assets we possess to be competitive in both the flat and spiked worlds, the competitiveness of each of our now distinct regions – California and Baja California – would benefit enormously.

Research about to be published by the San Diego Dialogue, a crossborder organization focused on the dynamics of the San Diego/Baja California region and CENTRIS, an economic development collaborative in Tijuana, suggests that across the Californias there exists enormous potential for enhanced global competitiveness, if we can only begin to think of ourselves as a borderless innovation region.

On Sept. 23, Governors Elorduy and Schwarzenegger jointly issued the following statement:

"We cannot underestimate the importance of our states working together in order to find regional solutions to the challenges we face. ... Economic prosperity and security in the region depends on a close coordination between our states. Government, the private sector and citizen-based groups all have a role to play."

Today, the mayor-elect of San Diego and the mayor of Tijuana come together to celebrate the success of more than 120 crossborder businesses and to encourage new and more extensive forms of collaboration. Political leadership has come to see the economic potential in both Baja and California of our unique crossborder locale and capabilities. Citizens and policy-makers now need to develop concrete activities to support a borderless innovation strategy.

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