



BORDERLESS INNOVATION

CATALYZING THE COMPETITIVENESS OF THE
SAN DIEGO-BAJA CALIFORNIA REGION

DEVELOPED IN COLLABORATION WITH



A REPORT BY

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EXECUTIVE SUMMARY

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 higher 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. The question that lies at the heart of this report is: “Given what the data is telling us about the dynamic trends on both sides of the border, why have there not been more deliberate efforts to collaborate and jointly market these assets, in order to significantly enhance the global competitiveness, not only of Baja California, but of San Diego County and the high-tech clusters within the two regions?”

This report presents data collected from a wide range of individuals, companies and organizations involved in high value-added technology, R&D and manufacturing activities on both sides of the border. It identifies a number of untapped capabilities and opportunities which could stimulate new kinds of industry partnerships and institutional alliances beneficial to both Baja California’s economic growth and the continued competitiveness of San Diego’s high tech economy. The research reveals that, in fact, there are many promising areas of collaboration. Most particularly, in biomedical devices, biotech and marine biotechnology, aerospace and defense. Data in this report also suggests that additional clusters which may have potential for collaboration and joint marketing include: software, recreation and sporting goods, and automotive.

The report describes the potential complementarities between the R&D, supplier and manufacturing capabilities that exist on both sides of the San Diego-Baja California border in these key clusters, which properly leveraged, could a) contribute to keeping and attracting good companies in need of manufacturing partners to Southern California and b) contribute to the attractiveness and growth of Baja California’s existing manufacturers and suppliers, by exploiting the proximity to the extraordinary research and development clusters in Southern California.

Three “big ideas” emerging from the report are:

- I. There is a need for aggressive and collaborative marketing efforts describing the high value added crossborder clusters in the region, focused on the high tech and biotech industries interested in the physical proximity to all the components of the innovation ecosystem — from R&D to manufacturing and distribution.
- II. Leadership from both sides of the border needs to come together and work collaboratively to significantly expand the research, technical assistance, professional and workforce education programs essential to assuring sustainable growth and competitiveness.
- III. New social and institutional mechanisms are needed to move the crossborder region beyond symbolism into action – action which involves shared leadership, co-investment, and well-orchestrated programs that build the competitiveness capacity of the cross-border region.

Even though the economic evidence and initial crossborder data presented in this report make a strong argument for a more dedicated effort to foster a dynamic and competitive Innovation Corridor of the Californias, the report emphasizes that there are a number of major challenges. The most significant of these is assuring a secure and efficient border that enables frequent and rapid border crossings.

The report concludes with a number of specific recommendations which address such things as:

- Creation of a Crossborder Innovation & Competitiveness Center
- Launching a crossborder program to foster scientific & technology relationships, awareness of research and commercialization of discoveries
- Providing ongoing research and analytical reports on crossborder clusters
- Working with Baja California to establish crossborder clinical research as a precursor to growing a transregional biopharmaceutical industry
- Promoting private investor networks in the Californias
- Promoting “smart border” technologies and infrastructure
- Expansion of existing and new crossborder education and research linkages
- Harmonization of economic, health and education data
- Convening a high-level working group to assess the feasibility of a Californias model based on the successful INBio program
- Exploration of broader, non-technological economic linkages

It is time for a broad coalition of interests and organizations to come together around a set of common goals and strategies, vis-à-vis crossborder economic development. The information and analysis presented in this document is a first step in starting a regionwide conversation and action plan for building the Innovation Corridor of the Californias.