

Crossborder Innovation & Competitiveness Initiative

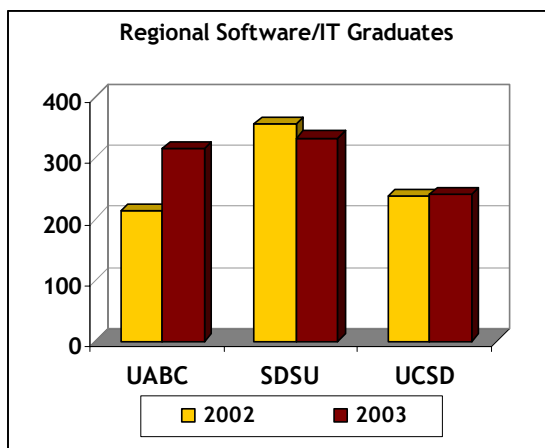
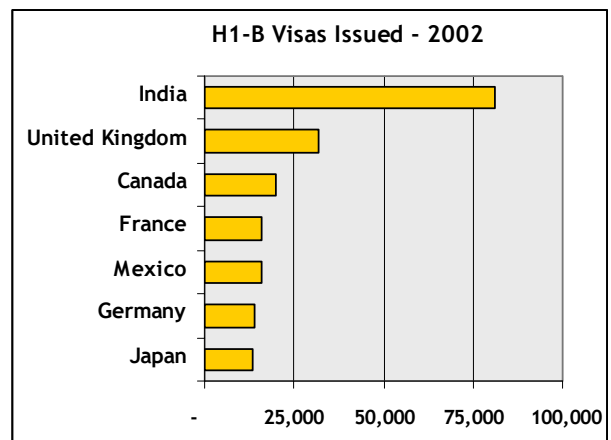
Quick Facts: *The San Diego-Baja California Software Industry*

Introduction

- San Diego Dialogue’s *Crossborder Innovation & Competitiveness Initiative* is dedicated to exploring how the San Diego-Baja California region can become more globally competitive in key science and technology sectors by leveraging opportunities across our border. Such opportunities potentially exist both in terms of crossborder research partnerships, and by connecting San Diego and Baja California in high value-added economic clusters that link regional R&D capabilities to manufacturing and service industries in our region.
- The concept of promoting the development of regional employment clusters has driven much of San Diego’s recent economic development activities, with leadership from the San Diego Association of Governments (SANDAG). Yet, as noted by Harvard economist Michael Porter, *“Better linkages with Mexico would spur the growth of a number of industries and clusters in San Diego.”*

Indications For a Crossborder Software Industry?

- Given the great contrast in the number of software-related firms on either side of the San Diego-Baja California border (approximately 40 in Baja California compared to over 2,700 “software and computer services companies” in San Diego) some debate exists about the potential for crossborder linkages in the software industry (particularly considering the shortage of actual crossborder transactions/partnerships to-date).
- Nonetheless, a 2003 survey of US corporate Information Technology managers found that 5% of their companies were currently outsourcing some IT services to Mexico. Mexico’s growing capacity to provide highly qualified technology workers is further reflected by this fact: in 2002, Mexican professionals were the fifth-largest number of recipients for H1-B visas to the United States - after India, the United Kingdom, Canada and France.



- Future crossborder opportunities in the software industry may, in fact, be facilitated or impeded based on whether the San Diego-Baja California region can develop the human and physical infrastructure needed to foster its competitiveness. Regional human infrastructure already hints at this growing potential: For example, there are increasing numbers of software-related graduates not only from major San Diego universities like SDSU and UCSD, but also from Baja California’s *Universidad Autonoma de Baja California (UABC)*, and other universities and technical schools.