

The Effects of Proposition 187

by Joan Boughton,

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With the passage of Proposition 187, many San Diego and California companies are wondering what type of backlash there will be that may threaten their emerging business relationships with Mexico and the established Hispanic market here.

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Not only are boycotts being considered but many business deals in the state involving Mexican investors are in jeopardy as a result of the measure, said Gil Partida, president of the Greater San Diego Chamber of Commerce.

"Unfortunately, we did anticipate this," said Partida. "It's the reason we took such an aggressive stance against 187. We wanted the community to focus attention on the economic implications."

The Tijuana organization, Canacinta, in support of the San Diego Chamber's strong position, opposed the Baja boycott of San Diego area businesses hoping to offset the emerging feelings by Baja California consumers to buy goods somewhere else outside of California.

"It's going to be very difficult now with the passage of this measure. Trade with Mexico is essential to our economic recovery," Partida said. "The focus now is damage control."

Yet it is too early to gauge the measure's long-term effects on cross-border business. Proposition 187 boycotts at the border have not significantly effected the flow of Baja California shoppers to San Diego.

According to Susan Lipp, Marketing Director of Chula Vista Center their daily sales over the three day Thanksgiving weekend were up 18.4% over last year. It was their best year yet. "Our Hispanic customer is very important to us," said Lipp. "We appreciate that they are loyal customers and we want to continue to serve them."

San Diego and Tijuana exchange about \$4 billion annually in consumer purchases. California's exports to Mexico are expected to reach \$7 billion this year. In addition, Tijuana is considered the busiest border in the world with 56 million people crossing in 1993 to shop. With about 6.7 shopping trips per month, each person spends an average of \$136.35 per shopping trip.

Optimistically, it is hoped that the all ready established cultural, social and business ties between Baja California and San Diego will continue to grow. Embracing diversity is the only way to strengthen our relationships which must be built on understanding and trust.

(Sources: SRC, S.D. Hispanic Market Study/93 Border Crossh U.S. Customs San Ysidro, Otay Mesa, Tecate. Union Tribune.)

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