

## UCSD awarded \$1 million grant to study globalization of high tech

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### UCSD AWARDED \$1 MILLION GRANT TO STUDY GLOBALIZATION OF HIGH TECH

Researchers at the University of California, San Diego have received a \$1.1 million grant from the Alfred P. Sloan Foundation to study the globalization of the data storage industry, an industry that has undergone massive consolidation over the last few years.

"The data storage industry is being affected by globalization trends at a faster rate than other high tech industries," said Roger Bohn, a principal investigator for the study and a professor of technology management at UCSD's Graduate School of International Relations and Pacific Studies (IR/PS). "This is largely due to the relatively short life cycle of data storage products themselves. This study is important because we think that globally affected changes occurring in data storage today may presage future changes in other high tech industries."

Bohn and co-investigator Peter Gourevtich, dean of IR/PS and a professor of political science, will collaborate with faculty and researchers at UCSD's School of Engineering, the Center for Magnetic Recording Research (CMRR) and the new Advanced Manufacturing Program. The UCSD-based San Diego Supercomputer Center will also participate by examining the role of the Internet in the globalization of high tech industries.

By focusing on the data storage industry, which produces disk drives and magnetic storage of electronic information, the researchers hope to shed light on the underlying dynamics of globalization for many other high tech industries.

According to CMRR director Sheldon Schultz, CMRR, which was founded at UCSD in 1983 by a group of prominent U.S. magnetic disk and tape storage companies, will help provide technical analysis and an introduction to all the key U.S. companies who will be invited to participate in the globalization study.

"Data storage is a harbinger of what is likely to happen in much of the high tech world, as products become commodities while remaining cutting-edge," Bohn explained. "The insight we gain should be useful to individual companies and high tech industries as a whole, as well as to government policymakers in trade, taxation, technology and other areas who must develop strategies to deal with the complex problems that globalization is creating."

The researchers will also examine the apparent shift of crucial sectors of the data storage industry from the U.S. to overseas.

According to Bohn, while U.S. firms continue to dominate the data storage industry -- about ten American companies dominate the world market -- competition is fierce, and the manufacturing sector has been moving offshore, primarily to Southeast Asia. As this trend continues, there are increasing signs that other segments of the industry, such as design and development, may shift away from the U.S. as well.

"We want to look at whether these manufacturing shifts are reversible, and whether shifts in other parts of the industry are inevitable," said Bohn, noting that in many similar industries, loss of manufacturing has eventually led to the loss of other sectors of an industry, with dire consequences for the domestic job market.

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