

Local Economic Development in a Cross Border Context

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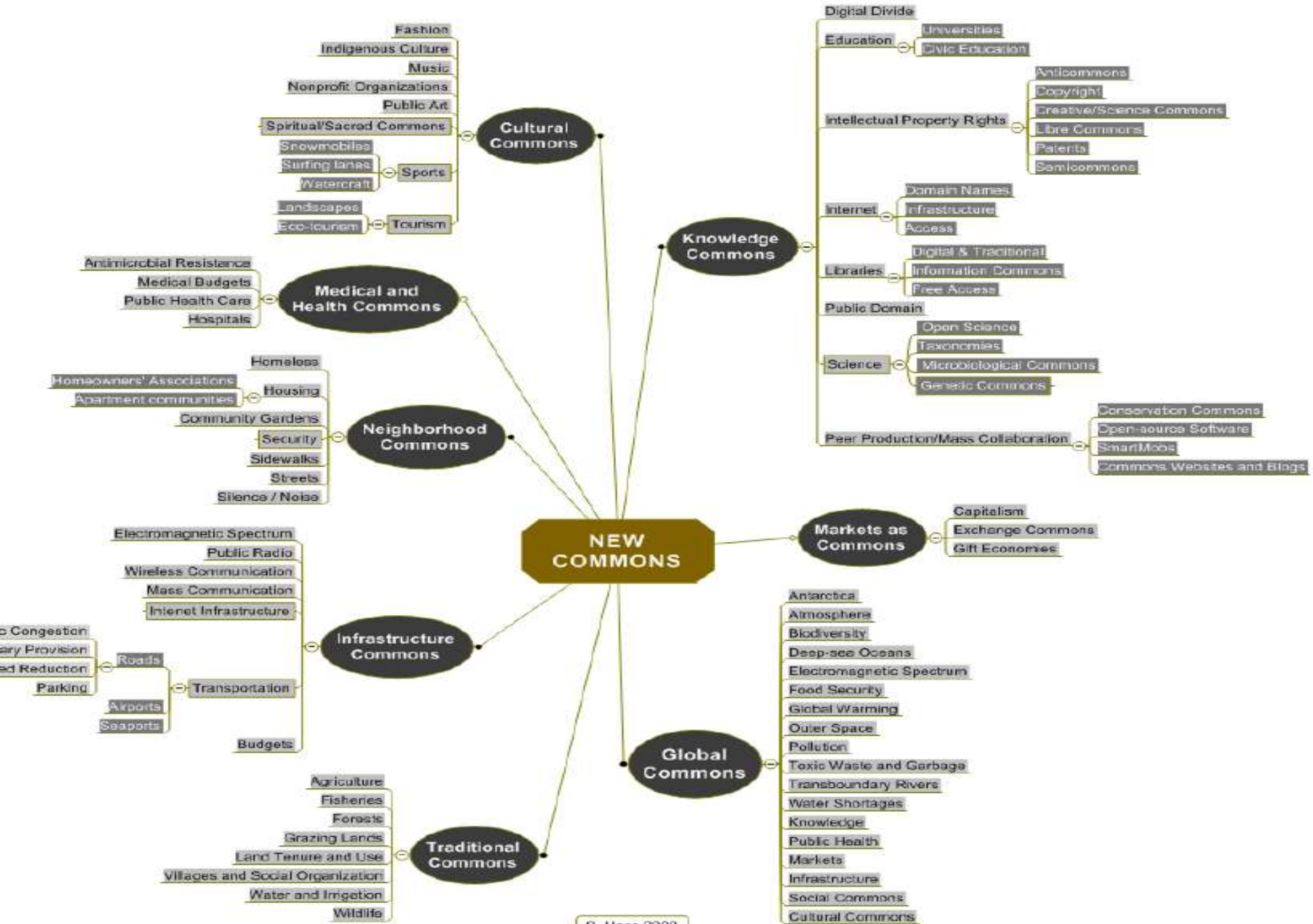
- **Increase in cross-border economic cooperation since the early 1990s;**
- **In both economies economic growth had been sustained since 1983 up until late 2007/early 2008.**
- **Downturn in activity and accompanying fiscal uncertainties are likely to lead to a slowdown in policy induced cross-border development for a period;**
- **It does not however invalidate the need for such collaboration.**

- **The basis of cross-border collaboration:**

“From a purely economic perspective, appropriate areas for Government action arise where there is market failure or where the Government is involved in the provision of public goods, such as infrastructure, or public services such as health and education.”

“The case for an all-island approach is made where the market failure arises from the existence of the border or where the public goods and services could be more efficiently provided on a co-ordinated basis.”

- **Much progress has been made to correct the market failures inhibiting greater levels of business to business cooperation across the border;**
- **The provision of public goods and services on a more co-ordinated basis remains elusive;**
- **Lack of a proper theoretical underpinning for more systematic public policy co-ordination is arguably a major weakness and needs to be addressed.**
- **Framework of the “New Commons”.....**



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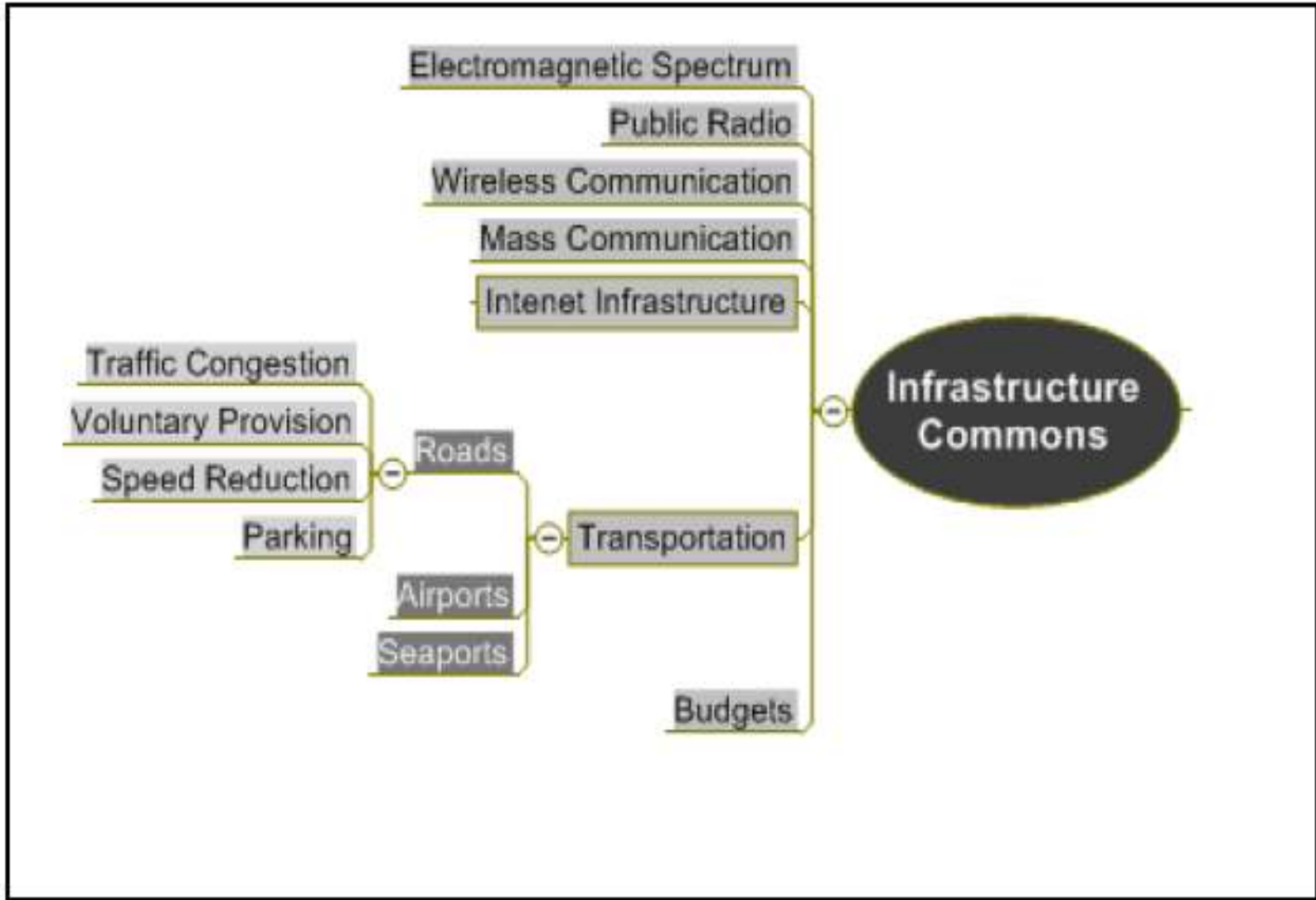
Medical and Health Commons

Antimicrobial Resistance

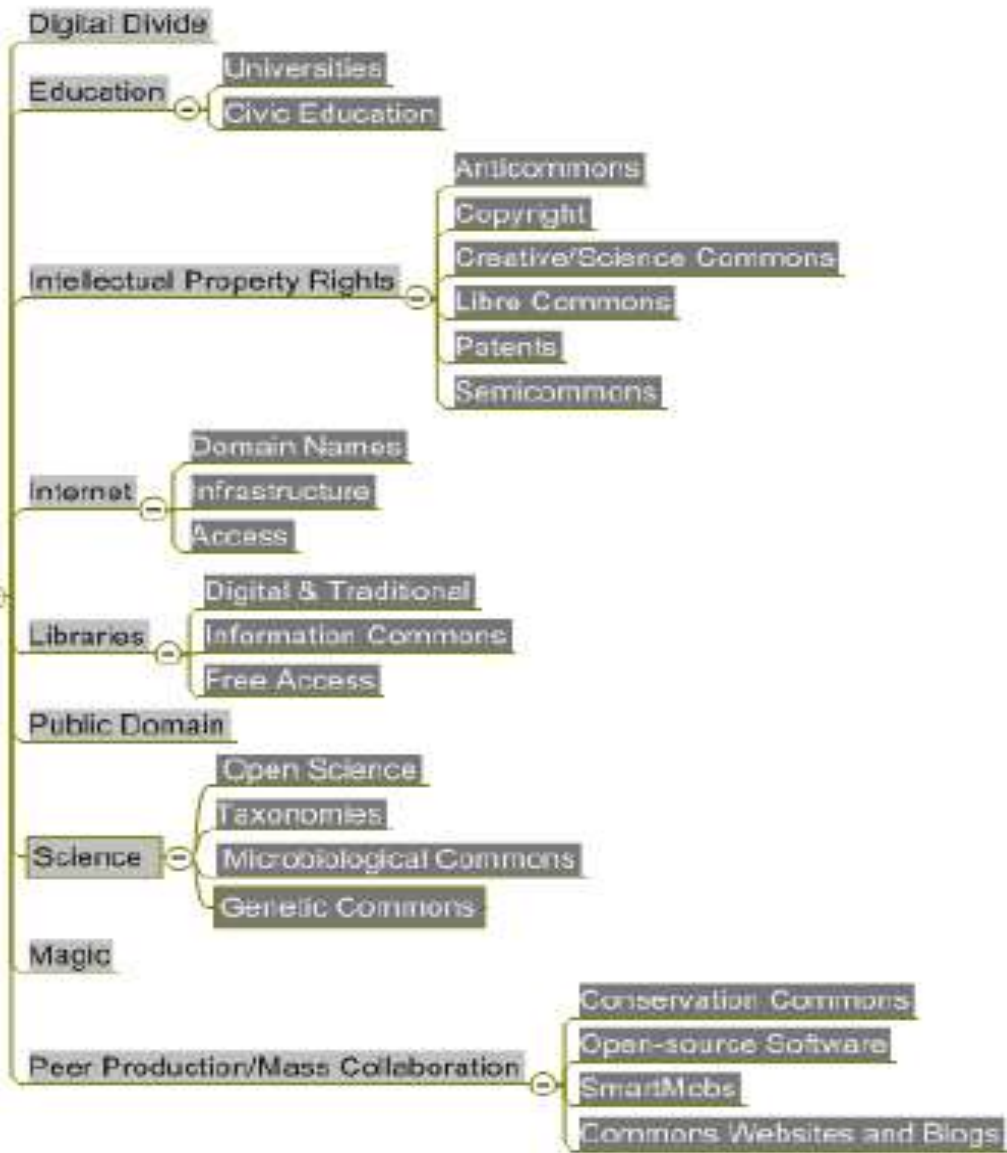
Medical Budgets

Public Health Care

Hospitals



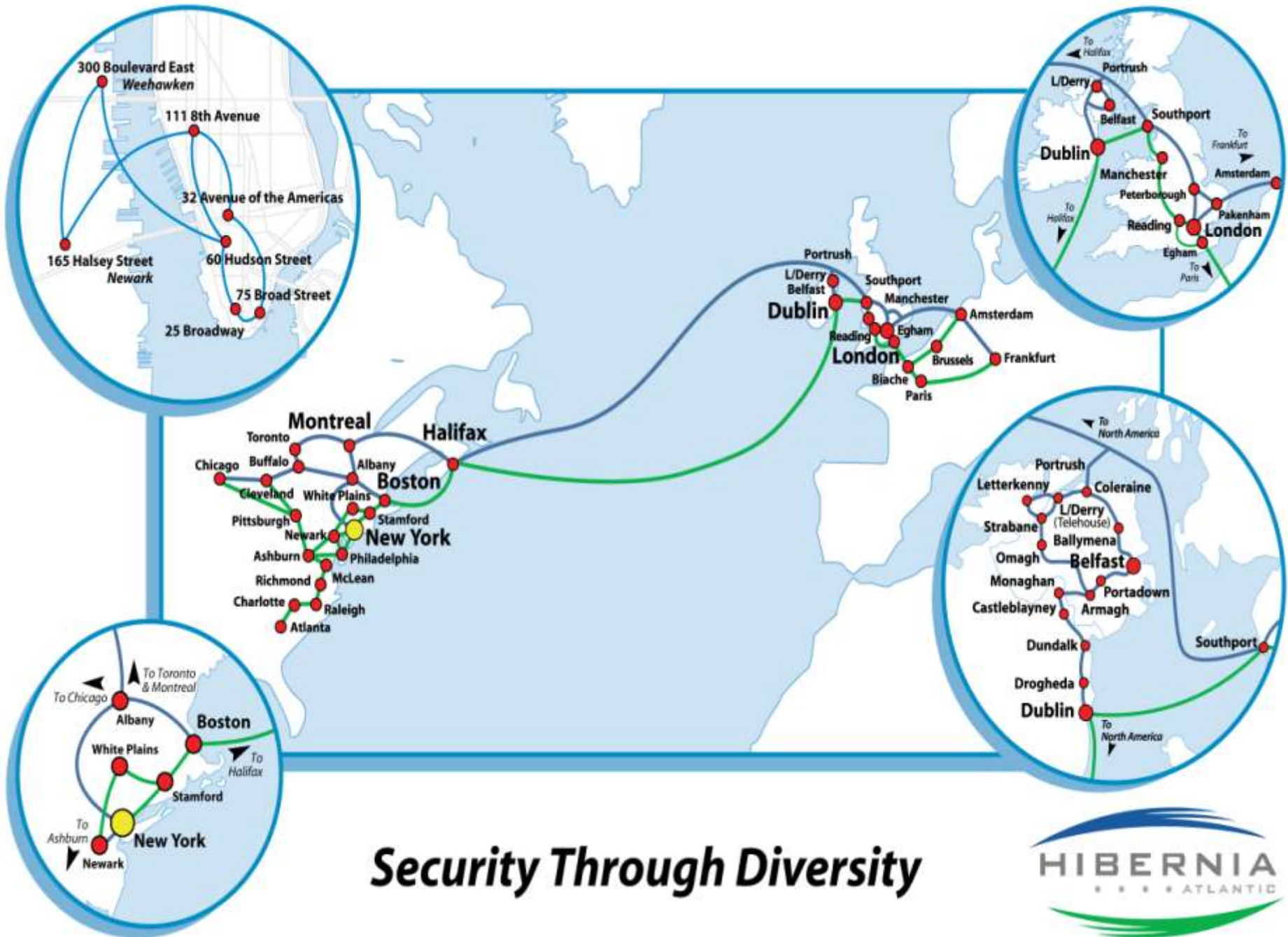
Knowledge Commons



- **Structural misalignments between the two economies on the island;**
- **Misalignments inhibit the emergence of an all island economy.**
- **North/South labour mobility has been greatly reduced by differentials in earnings, social insurance and until recently by housing market conditions.**
- **These differentials are now narrowing but are likely to persist for some time to come.**

- **Policy will be directed inwardly in both jurisdictions to seek efficiencies in public services.**
- **Public capital programmes may be pushed back (as the softer option) to yield ‘savings’ while not inhibiting recovery and not endangering front line services.**
- **In this difficult fiscal context, cross-border development might be seen as something of a luxury.**
- **It need not be so.**

- **Project Kelvin is a cross border project aimed at bringing a direct link to the transatlantic submarine communications network into the north west of Ireland.**
- **The project's objectives include:**
- **Reducing the time it takes to exchange data with North America (latency);**
- **Making the cost of international communications the same (or even lower) as in major UK cities and Dublin and increasing competition in the telecommunications market.**



Security Through Diversity



- **Kelvin involves connecting a new submarine cable to the Hibernia North Transatlantic cable located 22 miles off the North coast.**
- **The new cable comes ashore in at Portrush and then it is linked to other localities including Letterkenny, Omagh, Coleraine, Ballymena, Belfast, Armagh, Monaghan and Dundalk.**
- **Kelvin is already undergoing system testing and this work should be completed before the end of December 2009.**



This project is part financed by the European Union's European Regional Development Fund through the INTERREG IVA Cross-border Programme managed by the Special EU Programmes Body.

- **What is the potential of Project Kelvin?**
- **Fundamentally it is about exploiting the latency in the fibre.**
- **The key questions are:**
- **How to leverage Project Kelvin?**
- **Cross Border?**
- **What is role of government in exploiting Kelvin?**
- **There are perhaps three main strands of a strategy to exploit Kelvin.**

- 1. Extend the reach from the Points of Presence, especially investment in additional fibre to reach Business Parks and Centres;**
- 2. Develop technologists and capability. FE and HE institutions to link to the top US centres of excellence. The technology could also be put into urban centres of highest deprivation to accelerate regeneration opportunities.**
- 3. Some state of the art web service data centres that exploit fully the “latency” of Kelvin.**

- **Project Kelvin represents one of the best opportunities that this island has ever been given to re-invent itself and to really begin to create a knowledge economy.**
- **Governments need to keep the pressure on to fully exploit this opportunity.**
- **Local government can also play its part in establishing local nodes to exploit Kelvin.**
- **The localities covered by the project need to develop and resource strategies to leverage the advantage conveyed by Kelvin.**
- **These strategies should encompass local entrepreneurs, local schools and FE colleges.**