



Reviving the Border Region Economy in a time of Peace, Devolved Government and International Recession

An 'emerging findings' conference from the research project by Dr John Bradley and Professor Michael Best

Radisson Blu Farnham
Estate Hotel, Cavan
17th-18th November 2011



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Cross Border Studies



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THURSDAY 17 NOVEMBER

- 10.00-10.30** Registration and refreshments, Redwood Suite Reception Area
- 10.30-10.40** Opening remarks: **Councillor Séan McKiernan**, Chair, Cavan County Council
- 10.40-13.00** **Uncovering the border region economy**
Chair: Mr. Aidan Gough, Director of Policy and Strategy, InterTradelreland, Newry
- 10.45-11.30** **The border region economy and its challenges: Dr. John Bradley**
- 11.30-12.15** **A future for manufacturing in the border region economy: Professor Michael Best**, University of Massachusetts Lowell
- 12.15-12.25** Discussant: **Mr. Michael D'Arcy**, Principal, DSA, Dublin
- 12.25-13.00** Open discussion
- 13.00-14.00** Lunch
- 14.00-15.30** **Other regions and borders, other challenges**
Chair: Mr. Andy Pollak, Director, Centre for Cross Border Studies, Armagh
- 14.00-14.25** **Regional economic development in Eastern German regions: Are there specific border effects?: Professor Gerhard Untiedt**, GEFRA, Muenster, Germany
- 14.25-14.50** **Regional development in Scotland: The case of the Highlands and Islands: Mr John A. Watt**, Director, Strengthening Communities, Highlands and Islands Enterprise, Inverness, Scotland
- 14.50-15.00** Discussant: **Professor Edgar Morgenroth**, Economic and Social Research Institute, Dublin
- 15.00-15.30** Open discussion
- 15.30-15.45** Coffee break
- 15.45-17.30** **Working in the border region: Case studies**
Chair: Mr. Michael D'Arcy, Principal, DSA, Dublin
- 15.45-16.00** **Mr. Walter Watson**: Walter Watson Ltd, Castlewellan, Co Down
- 16.00-16.15** **Mr. Pat McAdam**: Bose Ireland, Carrickmacross, Co Monaghan
- 16.15-16.30** **Mr. Paul Shortt**: Castlecool, Castleblayney, Co Monaghan
- 16.30-16.45** **Dr. Paddy Tobin**: Director, GMIT Furniture College, Letterfrack, Co Galway
- 16.45-16.55** Discussant: **Dr. Eoin Magennis**, InterTradelreland, Newry
- 16.55-17.30** Open discussion
- 17.30** Close of session
- 19.30** Reception
- 20.00** Conference dinner with speaker: **Mr John Perry TD, Minister of State for Small Business**

FRIDAY 18 NOVEMBER

- 09.30-11.00** **The border region economy – A view from local government**
Chair: Mr. Reg McCabe, Director, IBEC-CBI Joint Business Council
- 09.30-09.55** **Mr. Vincent Reynolds**: CEO, Cavan County Enterprise Board – **An Irish approach**
- 09.55-10.20** **Ms. Catriona Regan**: Director of Community and Enterprise, Banbridge District Council – **A Northern Ireland approach**
- 10.20-10.30** Discussant: **Mr. Philip McDonagh**, formerly Chief Economist, PricewaterhouseCoopers, Belfast
- 10.30-11.00** Open discussion
- 11.00-11.30** Coffee break
- 11.30-13.00** **Rethinking approaches to the border region economy**
Chair: Mr. Liam Connellan, Chair, Dalkia and Veolia Transport, Dublin
- 11.30-12.00** **The border region economy – a way forward: Mr. Padraic White**, former Managing Director, IDA Ireland, and Chair, Louth Economic Forum
- 12.00-12.30** Open discussion
- 12.30-13.00** Summation and closing remarks by **Dr. John Bradley and Professor Michael Best**
- 13.00** Lunch and close

Conference Speakers and Chairpersons



Councillor Seán McKiernan has been Chairman of Cavan County Council since June 2011, at the age of 30 the youngest person ever to serve in that post. He was elected to the council in 2009, having been co-opted by Fine Gael in 2007 to take up the seat held by Senator Joe O'Reilly. Since becoming chairman he has emphasised the importance of citizen empowerment, social media, the role of young people and the role of the Irish diaspora in terms of economic development. Councillor McKiernan has been Vice Chairman of the Fine Gael Executive Council since April 2009, having first been elected to that body in 2002 at the age of 20. He is employed by Mental Health Ireland, a national voluntary movement, as their development officer in the north-eastern region, and his family also have a business, McKiernan Memorials Ltd.



Mr Aidan Gough is Director of Strategy and Policy at InterTradelreland. In this role, he advises on collaborative initiatives to help the trade and business development body to boost North-South economic cooperation to the mutual benefit of both economies on the island.

He leads InterTradelreland's policy and research team to identify areas where joint government intervention can help to create an environment where it is easier to do business and increase the competitiveness of individual businesses and the island in the global economy. Aidan is a graduate of Queen's University, Belfast with an MBA and MSc in Economics. Prior to joining InterTradelreland in 2000, he was Director of the Northern Ireland Economic Council.



Dr John Bradley was formerly a Research Professor at the Dublin-based Economic and Social Research Institute (ESRI) and is an international research consultant in the areas of economic development strategies, with an emphasis on EU cohesion policy in all the member states. He was responsible for the design and implementation of the HERMIN system of models used by DG-REGIO to evaluate the impact of Structural Funds in the member states. He is a specialist on development barriers facing the post-Communist economies of Central and Eastern Europe, and regularly acts as a consultant to the European Commission and to government ministries in the EU and elsewhere.



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Professor Michael Best is Professor Emeritus at the University of Massachusetts Lowell and a Fellow of the Centre for International Business and Management, Judge Business School, Cambridge University. He specialises on industrial development strategies, business organisation, technological

change, cluster evolution and regional innovation systems. His 'capability and innovation' perspective on industrial growth and change is developed and illustrated with enterprise, regional and national case studies in two books: *The New Competitive Advantage: The Renewal of American Industry* (Oxford, 2001) and *The New Competition: Institutions of Industrial Restructuring* (Harvard, 1990). Professor Best recently completed a study of the rise and rapid growth of the medical devices industry in Massachusetts that deploys an historical dataset of high tech companies to characterise the forces that drive industrial transitions and the emergence of new clusters.



Mr Michael D'Arcy has been an independent policy advisor on the 'island economy' and cross-border enterprise and business development since the early 1990s. He has worked with a wide range of public and private sector organisations including the North South Ministerial Council Joint Secretariat, Inter *Tradel*reland, the

Economic and Social Research Institute, the Centre for Cross Border Studies, Cooperation Ireland, University of Ulster, International Fund for Ireland, the IBEC-CBI Joint Business Council (JBC) and the European Economic and Social Committee. He was joint facilitator of the North/South Roundtable Group and the joint editor of the book *Border Crossings: Developing Ireland's Island Economy* (Gill & Macmillan, 1995). He is a non-executive director of renewable energy company bhsl.



Mr Andy Pollak is founding Director of the Centre for Cross Border Studies (with offices in Armagh and Dublin), and secretary of Universities Ireland and the Standing Conference on Teacher Education North and South (SCoTENS). Now over 12 years old, the Centre researches, develops and provides management support for

a wide range of cooperation programmes and projects between Ireland and Northern Ireland in education and training, health, ICT, the economy, public administration and other practical areas. Andy is a former religious affairs correspondent, education correspondent, assistant news

editor and Belfast reporter with the *Irish Times*. In the early 1990s he was coordinator of the Opsahl Commission, an independent 'citizens inquiry' into ways forward for Northern Ireland.



Dr Gerhard Untiedt is Director of the Münster-based research and consultancy unit GEFRA and Honorary Professor for Empirical Economics at the Technical University of Clausthal-Zellerfeld. He has extensive experience of the impact of European integration and EU enlargement, and the evaluation of public funding

programmes, in particular the European Structural Funds in the Cohesion countries (especially in East Germany and the new Member States). Since the 1990s he has advised the European Parliament, the European Commission and several national and local governments on strategic interventions to enhance growth and employment. He lectures on growth theory, regional economics, econometrics and empirical economic research and regularly publishes in German and international peer-reviewed journals.



Mr John Watt has worked for the Highlands and Islands Enterprise agency for 30 years and currently heads up its Strengthening Communities Directorate (SCD). Key focuses for SCD are the support of social enterprises, the account management of communities in fragile areas, the development of

culture and heritage projects, the Gaelic language and crofting communities. John has extensive experience of economic and community development, economic research and strategy development (he was Head of Corporate Planning from 1995-97). He was brought up in Inverness, and attended Aberdeen University before working in Africa and undertaking graduate work in geography and regional planning in Canada.



Dr Edgar Morgenroth is an Associate Research Professor and programme coordinator for research on transport and infrastructure at the Economic and Social Research Institute (ESRI) in Dublin. He is also an Adjunct Professor at Trinity College Dublin and an independent member

of the National Economic and Social Council (NESC). He is a Fellow of the Regional Studies Association and has served as its vice chairman and treasurer. Dr Morgenroth has wide ranging research experience in the areas of economic growth, international trade, economic geography

and public economics. In particular he has been involved in a substantial number of projects that identify public investment needs and evaluate the effect of investment programmes, especially those linked to the EU Structural Funds.



Mr Walter Watson is the founder and Chairman of Walter Watson Ltd, based at Castlewellan in Co. Down. Established in 1967, Walter Watson Ltd is now the largest family owned structural steel fabricator in Northern Ireland and the largest UK-certified reinforcement

fabricator on the island of Ireland. The company has an overhead crane manufacturing division which has won 80% of the Irish market share, and is also ranked as one of the top three crane manufacturers in the UK. The company also manufactures agricultural equipment, and the business is further complemented by a general steel stockholding and sales department. In addition to the main headquarters in Castlewellan, the company has regional offices in Kildare, and Glenrothes and Dundonald in Scotland.



Mr Pat McAdam has been Managing Director of Bose GP Ireland for the past 11 years. In previous posts with Bose he has managed the company's functions in manufacturing, quality, engineering and logistics. In his earlier career

he was employed in engineering and manufacturing roles in the footwear, plastics, engineering, consulting and healthcare industries. Pat is an engineering graduate of Dundalk Institute of Technology and holds an MBA from University of Ulster. In 2007 Bose commenced its 'journey towards lean manufacturing' as part of a strategy to improve competitiveness.



Mr Paul Shortt is the founding Managing Director of Castlecool, Ireland's largest temperature control and logistics company. A native of Castleblayney, Co Monaghan – where Castlecool is based – he trained as an accountant with Price Waterhouse in Dublin. He joined Lough Egish CoOp (now Lakeland Dairies) in the

1970s. After two years he transferred to Norish, a subsidiary of Lough Egish at the time, remaining with Norish as financial director for 19 years before leaving to set up his own company, Castlecool Ltd, in 1993. Paul is very active in community organisations; chairman of Concra Wood Golf Course; director of Monaghan County Enterprise Fund and of Castleblayney Enterprise Centre. He is married and has two adult sons.



Dr Patrick Tobin is a Lecturer and Programme Chair at Galway-Mayo Institute of Technology (GMIT) in Letterfrack, Co Galway. He has been involved in technical and management positions, and in consulting and training work, with the furniture and wood products industry for more than 20 years. Expertise

includes information systems, operations management and strategy, project management and product development in small and medium sized enterprises. He has been with GMIT Letterfrack since 1996. During that time, enrolment on the furniture and wood products programmes has grown from 50 to currently over 260 students per year. In 2000 Paddy took a career break and spent a year working and researching in the furniture and wood products industry in the USA, particularly New England. He has further developed his US contacts to provide many opportunities for student projects and placements over the years.



Mr Reg McCabe is Chief Executive of the IBEC-CBI Joint Business Council, having formerly been Projects Director with special responsibility for infrastructure investment and R&D/innovation. He has also acted as director of IBEC's transport and logistics council and its public-private partnerships council. He has lectured

and written extensively on public-private partnerships and on transport policy issues and has a particular interest in issues relating to infrastructure, freight logistics, ports and shipping.



Dr Eoin Magennis is Policy Research Manager with Inter *Tradel*reland, the North/South implementation body with a remit to encourage trade and business development on an all-island collaborative basis. He is responsible for managing the research agenda for Inter *Tradel*reland, including recent reports on business

networks and environmental regulations, and for policy development in a range of areas connected to cross-border trade and innovation.



Mr Vincent Reynolds is CEO of Cavan County Enterprise Board and has more than 30 years' experience working in the field of business, economic and community development. He served as a member of the Business Enterprise Programme Team of the International Fund for Ireland for up to 20 years. A graduate of NUI Galway,



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Vincent is centrally involved in many organisations and programmes in the border region and has been the driver of successful initiatives such as the Cavan Innovation and Technology Centre and Cavan County Enterprise Fund.



Ms Catriona Regan has been Director of Community and Enterprise with Banbridge District Council since 2008. After graduating with a degree in civil engineering from Queen's University Belfast, she joined the Department of the Environment. In 1990 she worked with the Rivers Agency where she was responsible

for designing flood protection schemes. She then worked for the Belfast Regeneration Office and in 1999 joined the Office of First Minister and Deputy First Minister, where she was responsible for setting up the Civic Forum. In 2001 she became Operations Director with Inter Tradelreland. In Banbridge she is responsible for a range of services including arts and events, community safety, district policing, economic development, regeneration, tourism development and town centre development.



Mr Philip McDonagh is an economist with over 30 years of experience of analysing and reporting on the local economy in Northern Ireland. He is a former chief economist with PricewaterhouseCoopers in Belfast. He has a particular interest in cross-border issues and is currently a member of the Indecon Economic

Consultants team that is evaluating the INTERREG funded programme of research being undertaken by the Centre for Cross Border Studies.



Mr Liam Connellan is Chairman of Dalkia in Ireland. He is also Chairman of Veolia Water Ireland and Veolia Transport Ireland. He is a chartered engineer and an engineering graduate of University College Dublin. He is a former Chairman of the Energy Institute in Ireland. Liam is also a Past President of Engineers Ireland

and of the Irish Academy of Engineering. He was Director General of the Confederation of Irish Industry from 1972 to 1992; Chairman of the National Roads Authority from 1994 to 2001; and President of the Royal Dublin Society from 1995 to 1998. He was Chairman of the Industry Section of the European Economic and Social Committee from 1994 to 1996.



Mr Padraic White is Chairman of the Louth Economic Forum which brings together representatives of the business community, state agencies, Dundalk Institute of Technology and local authorities to advance economic development and job creation in that county. He is chairman of eight SME

companies. He has a longstanding interest in job access for the long-term unemployed and is Chairman of the West Belfast and Greater Shankill Employment Services Board. Padraic was Managing Director of the Industrial Development Authority of Ireland (IDA Ireland) in the decade to June 1990 when Ireland endured and then emerged from the last prolonged recession. During his tenure IDA negotiated the initial location in Ireland of some of today's leading multinationals such as Microsoft, IBM and Intel. He is a native of Kinlough, County Leitrim and is married to Senator Mary White, co-founder of Lir Chocolates.

Conference Briefing Note

More than a decade after the 1998 Belfast/Good Friday Agreement, whose focus was on internal peace and the normalisation of relations at a 'national' (i.e. Dublin-Belfast-London) level, attention is now turning to internal, sub-regional issues on the island of Ireland. Unfortunately, this is taking place at a time when both the UK and Ireland are confronted by serious internal economic problems and a very hostile global economic environment.

It was in this context in the autumn of 2009 that a project was commissioned by the Centre for Cross

Border Studies and funded under the INTERREG IVA programme by the Special EU Programmes Body. Its title (*Normal Business Restored: reviving the border region economy in a new era of devolved government*) took on new, challenging meanings when the true horror of the post-2007 economic crash, North and South, became clear.

The focus of the new project was on the specific economy of the border region. In particular, it examined the productive aspects of that region, i.e. the characteristics and performance of the set of

businesses that operated in the border counties; whether they behaved differently to other, non-border counties that otherwise shared many similar characteristics; and to what extent was the presence of the now-peaceful border a help or hindrance to their activities?

The research team included Dr John Bradley, formerly of the Economic and Social Research Institute in Dublin, and Professor Michael Best, an expert on business strategy in many regions of the world. To identify specific factors that influence economic development and renewal in border regions, they also collaborated with experts from Poland and Germany.

The project first examined the 'island' context of the border economy, since this determines much of what happens in the border region. It then moved on to identifying and describing the structure and characteristics of the border region economy from an 'outside' perspective, using official, published data sources. The final and most innovative stage was the attempt to communicate with and learn from local policy makers and actors (including local manufacturers) in the border region and to try to see the border economy from an 'inside' perspective. This included a series of detailed investigations of a range of specific enterprises in the border region and an examination of the positive and/or negative roles played by the border policy barrier if this region is to be reincorporated into the mainstream of island business life.

This conference attempts to pull together all the strands of the research project. The **first session** (Dr Bradley and Professor Best) presents an overview of the main project findings, both in terms of the factual characteristics of the border region economy and of the policy and other changes that will be needed if the region is to be fully re-integrated into the future success of the emerging island economy.

The **second session** presents the experiences of two very different regional development cases: the regions of the former East Germany that border with Poland (Professor Untiedt), and the Highlands and Islands sub-region of Scotland (Mr Watt). Both are examples where very detailed regional development initiatives were planned and executed. Although their specific features may differ from those of the Irish border region, there are underlying lessons for how the economy of the border should be studied and developed.

A central part of the project focused on the specific enterprise sector that operates in the border region. The **third session** illustrates four very different kinds of manufacturing and service enterprises operating in the wider border. Walter Watson illustrates the opportunities and challenges of setting up and running a firm with a blend of metal/engineering products which link as inputs to a wide range of other manufacturing businesses (for example, almost every plant visited during the research had a Walter Watson overhead crane!) and to advanced construction activities. In addition, the penetration into markets throughout Ireland, Northern Ireland and Britain was impressive. Bose Ireland is an example of state-of-the-art 'lean' manufacturing practices in a modern sector (electronics), but one that has a 'furniture' input in the form of high-grade cabinets. Castlecool has become a food sector logistics hub in a region where food processing is the dominant type of enterprise and where individual start-up producers tend to be small. In the case of the furniture sector, which is mainly concentrated in the Monaghan/Tyrone area, the Director of the Galway-Mayo Institute of Technology Furniture School speaks about how this rapidly declining sector might be rejuvenated.

The **fourth session** looks at the border economy from the perspective of local government. In an island that has a weak system of internal regional economic planning, it is often left to local government to address problems where national initiatives are sometimes insufficient, but where local powers and resources are often inadequate and under-specified. In the case of Northern Ireland, the small size of many District Council areas introduces further challenges to local development initiatives.

The **final session** is a presentation by Padraic White, former Managing Director of the IDA, and looks at ways forward for the border region economy. The highly constrained state of national economic policy presents, paradoxically, the opportunity to focus on the health of regional economies so that any regional barriers to national growth can be addressed and recovery can be rapid.

The presentations in each session will be followed by a short comment by a formal discussant, who will set the scene for a more extensive open discussion on the Irish border region economy.

John Bradley



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