Chapter 7.9

Crossing Borders:
Overcoming Political Barriers to Technology-Led Economic Development

Nicholas Maynard
RAND Corporation, USA

Aaron McKethan
Brookings Institute, USA

Michael I. Luger
Manchester Business School, University of Manchester, UK

Alekhya Uppalapati
Kenan-Flagler Business School, The University of North Carolina at Chapel Hill, USA

ABSTRACT

In the United States, many chronically depressed counties are adjacent to their state's border. This article explores how some non-urban counties that are contiguous but located in different states have worked with their state governments to develop institutional mechanisms to overcome the artificial barrier to technology-based economic development that state borders create. The story the authors tell can apply both to other countries that are also divided into states and to smaller countries within a federated region (such as the member states of the EU). The authors argue that political boundaries that transect otherwise integrated economic regions often impede economic development coordination and cooperation, in general, and for technology access, workforce training, and business innovation in particular. The authors use case study evidence from several successful cross-border efforts in the United States and internationally to demonstrate the critical success factors required to overcome political boundaries and initiate technology-based development. These success factors include the creation of diverse funding sources, effective leadership by a coordinated team, and the development of formal legal entities to confront legal and infrastructure challenges.

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INTRODUCTION

"Core-periphery" disparities have long been used to characterize spatial development in many regions of the world. Central place theory (Christaller, 1933) posited that centralization is a natural process that characterizes human settlements. The very geography of a circle makes distances between points at the outer boundary farther apart than points toward the center. That makes agglomeration (critical mass) harder to achieve at the periphery, and reinforces the center as the hub for transportation and other networks.

Many political jurisdictions have made the center more important by placing capitols, universities, and other public facilities in the center. While there is often economic, political, and social activity across state lines, economic development at the border has been inhibited to some extent by specific laws, policies, and/or customs. The historical practice of inter-jurisdictional competition for business locations, research and development facilities, federal funding, and other benefits has reduced the impetus for jurisdictions at the border (and elsewhere) to work together. Another key barrier to cross-border cooperation is the tendency for infrastructure and public service delivery areas to be defined functionally within state borders, rather than across them (Wood, 1961; Hawkins, 1976).

Because of these forces, many non-urban border regions (including suburban, rural, and remote areas) around the world still struggle today to keep pace with more developed central places. Border regions tend to lack the skilled workforce, infrastructure, and advanced technology required to compete in an economy where cheap land and proximity to resources once may have been sufficient to sustain a viable economic base (Cooke, 1997). Some sub-national governments in peripheral regions have addressed the problem of scale ineconomies and scant resources by developing means to cross borders, creating greater critical mass, and lessening destructive competition between neighboring jurisdictions. However, for the most part, such cooperation is the exception, not the rule (McDowell, 1995).

Of course, not all border or peripheral regions suffer economically. Seaports, by definition, are on the borders of their political jurisdictions, so cities like San Diego, Los Angeles, Seattle, Miami, Houston, and New York have thrived. Similarly, rivers and lakes often are used as political boundaries, so such cities as Chicago, St. Louis, and Philadelphia have achieved critical mass.

But, as Figure 1 illustrates, many states in the U.S. appear to have border-periphery disparities. Many (but not all) border regions in New York, Pennsylvania, Virginia, North and South Carolina, Georgia, Arkansas, Mississippi, Texas, the four corners states, and elsewhere, are among the poorest in terms of per capita income. Similar patterns characterize the distribution of unemployment and poverty rates, educational attainment, and health conditions.

This article highlights the development challenges faced by non-urban border regions and identifies strategies developed by local leaders that have mitigated the economic consequences associated with being a border region. Specifically, we address the following research questions:

- What unmet needs in case study regions are now being satisfied by a cross-border economic development program or strategy?
- What are the common hurdles to executing a successful cross-border initiative in the case study regions?
- What are the critical success factors of existing programs of cross-border economic and technological development?

The particular challenges facing non-urban border jurisdictions raise questions about the nature of cross-border economic activity and the appropriate public policies that can meet the unique needs and challenges of those border places. Since the challenges facing border counties are common to many states and regions, the ability to identify