

TITLE:

Cross-border collaboration in economic development: Institutional change on the Anglo-Scottish Border

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ABSTRACT

This article considers how changes in institutional structures affect the motivations of policymakers towards collaboration across borders. The Anglo-Scottish Border is used to illustrate the varied motivations for cross-border collaboration using models of partnership working. Adapting recent frameworks of analysis based on the concept of cross-border regional innovation systems, the Anglo-Scottish border is used to show how institutional changes can alter the balance between symmetries and asymmetries that tend to characterize cross-border relationships. Due to progressive devolution of functions to the Scottish Parliament since the 1990s, there are increasing contrasts in institutional settings and policy frameworks across this sub-state border. The nature of cross-border collaboration in two time periods is compared and contrasted. The first took place during 2000–2004 under the banner of “Border Visions.” This is contrasted with the more recent attempts to stimulate cross-border collaboration in the context of the Referendum on Scottish Independence in 2014. It is shown that the motivations for cross-border working can shift in response to changes in the economy and also in response to interactions between policy debates that occur simultaneously at different spatial scales.

KEYWORDS

Cross-Border Partnerships; Institutional change, economic development, local economic policy, Anglo-Scottish Border

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Introduction

There is now a substantial body of literature related to the role and significance of partnerships between institutions as a basis for the delivery of local and regional economic development (see, for instance, Mackintosh 1992; Hastings 1996; Atkinson 1999, McQuaid 1999, 2000, 2010; Carley 2000, 2006; Geddes 2000, 2006; Edwards et al 2000; Gibbs et al 2001; Coulson 2005; Breda-Vásquez, Conceicao and Fernandes 2009; Holman, 2013). More recently, the debate surrounding the impacts of partnerships has been given further impetus by questions concerning the effects of institutional borders, and national borders in particular, on the character and effectiveness of local and regional development. The debate on cross-border collaboration in policy has drawn extensively on concepts developed in the field of regional innovation concerning knowledge flows and spillovers (Boschma 2005; Asheim, Boschma and Cooke 2011). The concept of the Cross-Border Regional Innovation System has proved to be a useful framework for analysing economic policy development and delivery within regions located adjacent to national borders (Trippl 2010, Lundquist and Trippl 2013; OECD 2013).

This article seeks to contribute to this debate by considering the experience of cross-border working in economic development on the border between Scotland and England within the UK. The Anglo-Scottish Border is not (some would say, not yet) an international border; it is, however, a sub-state boundary that is becoming more significant as a direct consequence of progressive devolution of powers from London to the Scottish Parliament, the consequence of which is increased policy differences at the border. This case has come to prominence in part due to the referendum on Scottish Independence which took place in 2014 which generated heated debate about a wide range of issues surrounding the relationship between England and Scotland at a variety of spatial scales (Scottish Government 2013, Shaw *et al* 2013). What is interesting about the Anglo-Scottish Border concerns the effects of institutional changes over time and the ways in which these shifts have affected both the perceived need to improve cross-border collaboration and also the balance of barriers and enablers to partnership. The analysis seeks to draw lessons from the changing significance of cross-border partnership in economic development in response to institutional changes over the past 15 years on the Anglo-Scottish Border.

Partnership Approaches in Economic Development: Models and Rationales

Much has been written about the role of partnerships and collaboration in local economic development in the UK in past decades. Recently, Holman (2013) has restated some of the fundamental questions about the role of local partnership specifically in an urban context. This analysis notes some longstanding issues associated with the concept and practice of partnership including their ephemeral nature, the complexities that arise from juxtaposition with so-called mainstream activities and the fatigue and cynicism that can be generated when partnerships cease to deliver expected benefits. One solution, Holman suggests, is to think

differently about models of partnership, in particular to consider more carefully how new partnerships can be embedded within existing governance structures to provide them with resource, legitimacy and longevity.

Notwithstanding extensive research, it is fairly clear from the literature that there is no commonly accepted definition of partnership. The term is used to refer to many different types of organisational arrangement from formal agreements to more informal joint-working. The most useful and widely used approach to analysing partnerships, however, seeks to understand partnership on the basis of the motivations for collaboration using various models of “process and outcomes” (Mackintosh 1992, Hastings 1996, Edwards 1997, Geddes 2000, McQuaid 2010). This approach makes a basic distinction between partnerships that are sustained by *additional resource inputs* in contrast to others where the prime motive is to *maximise outputs or improve outcomes*.

This basic division can be expanded into a number of categories or “models” of partnership (McQuaid 2010). Many partnerships in pre-austerity years were held together by the expectation of additional resource or funding (budget enlargement model). Such partnerships have typical life cycles. On the one hand, the resource input makes it possible to set up new initiatives without major disruption to existing activities and ways of working. However, it is common for such partnerships to end once resource is withdrawn with little lasting legacy due to low levels of embeddedness. In contrast, other partnerships can be driven by a desire to maximise impacts by sharing existing or aligning resource flows (resource synergy) or coordinating policy design and delivery (policy synergy). Joint working can also be motivated by recognition of the benefits of sharing information, knowledge and ways of addressing common problems (shared knowledge partnerships). Research has shown that specific examples of joint working rarely fit into any one of these categories but involve a mix of motives in different proportions. Partnerships are complex and involve partners that may have different motivations and whose motives might change over time as circumstances alter leading to what has been described as the “partnership alchemy” that lies behind successful collaboration (Nelson and Zadek, 2000).

Cross-Border Partnerships: Theories and Typologies

The theme of this article brings together two bodies of literature on regional economic development and a growing body of research on the characteristics and impacts of Borders on processes of change. In the context of wider “border studies”, Payan (2014) has noted that theorising about borders is complex due to the multidisciplinary nature of the issues that are affected by borders and also by their highly varied characteristics. Models that can “explain” or even “predict” the impact of borders under different conditions have proved difficult to define. Payan (2014, 8) emphasises this point with reference to the United States-Canada and United States-Mexico borders that display stark contrasts in terms of historic development, cultural bonds, resources, demographics and economic development. At the extremes on a global scale, borders can be born out of conflict and therefore

contested or militarized leading to alienation across borders in contrast to others that are settled, accepted and legitimised.

As one consequence, much of this field relies on case studies and descriptive analyses in highly varied circumstances. A common approach to address this has involved reliance on development of typologies of Borders. Decoville et al (2013), for instance, seek to develop a typological approach based on levels and types of functional integration across borders. This approach is elaborated in the context of commuting patterns in relation to levels of specialisation and economic disparities in cross-border metropolitan regions in Europe. In another recent example, Dolzblasz (2015) compares and contrasts cross-border collaboration in Border towns on the Polish-Czech and Polish-German borders to illustrate the value of a typology based on identification of the factors that affect levels of “symmetry” between institutions involved in service delivery where symmetry is defined in terms of the level of openness of service providers towards potential clients on the other side of the Border.

Within this theoretical landscape, what kind of border does the “Anglo-Scottish Border represent? First of all, while it is a border between two nations it is not a boundary between two sovereign states. This raises another issue for border studies in that many of the effects and attributes of international borders are mirrored to varying degrees in the borders between sub-state administrative territories. There is a long shared history and common identity in the Anglo-Scottish borderlands, no language barriers and historic high levels of functional integration particularly associated with commuting and shopping patterns around Carlisle in the west and Berwick to the east. What makes this boundary of interest and relevance to wider debates in border studies is the particular direction of change that has been brought about by progressive devolution of functions of the state from London to the Scottish Parliament in Edinburgh, the consequence of which has been increased levels of asymmetry in cross-border relationships in the delivery of public services.

These issues have been subject to recent development in the context of cross-border innovation systems (RIS). Trippi (2010) defines five key dimensions of a cross-border RIS. These dimensions relate to various factors that either inhibit or favour cross-border collaboration in the knowledge economy. This framework, however, can be adapted to apply to cross-border public policymaking (see Figure 1). This is useful because it makes it possible to situate the partnership models discussed above in the context of the framework of regional institutions and policy structures. This approach can be used to interpret the effects of borders on partnerships, in particular the extent to which variations in permeability affect both the ability to succeed, and the willingness to engage, in cross-border collaboration.

As summarised in Figure 1, a range of factors can be seen to inhibit cross-border collaboration in policymaking. These include prominently, situations where knowledge networks are wholly dominated by the need for local practitioners to gain access to resources and exercise policy influence at a national level (*knowledge infrastructure dimension*). In these circumstances, institutional capacity is likely to restrict investment in cross-border networking. In terms of business support roles, cross-border collaboration is likely to be adversely affected in circumstances where

undue emphasis is given to providing support for businesses in sectors associated with relatively low wages, low productivity and high dependence on local markets (*Business dimension*). Cross-border policymaking will also be inhibited by asymmetries in institutional structures where public sector agencies have no obvious correspondence either side of the border (*Institutional dimension*). This can occur either because similar functions are performed in different organisational settings and/or at different spatial scales. Institutional asymmetry can also be associated with divergence in national policy priorities, particularly in regions where national economic policy priorities override those that are local. This is most likely to occur where political systems are highly centralised and few significant decisions are made locally (*Governance dimension*).

FIGURE 1 ABOUT HERE

These frameworks for understanding the motivations for economic partnership and cross-border collaboration in policymaking are used in this article to interpret recent attempts to coordinate economic policy across the border that separates England and Scotland (the Anglo-Scottish Border). The next section describes the context of the Anglo-Scottish Border and the socio-economic characteristics of the territories that are embraced by these so-called “borderlands”. This is followed by an analysis of two phases of cross-border collaboration in policymaking, the first involving the Border Visions Initiative (2000-2004) and the more recent attempts to coordinate policymaking in the context of the debates surrounding Scottish devolution and the Referendum on Scottish Independence in 2014.

The Anglo-Scottish Border Region – the Borderlands

The definition of the Anglo-Scottish Border region (or border area) obviously has many dimensions including cultural identity of inhabitants, functional areas defined by commuting and daily life patterns as well as business linkages and transport networks. For the purpose of this article, however, the focus is on local economic policymaking which tends to focus on the scale of the strategic authorities located either side of the border (Cumbria and Northumberland in England and Dumfries & Galloway and Scottish Borders in Scotland). Defined in this way, the Anglo-Scottish Border area contained well over one million inhabitants in 2014 distributed over the counties of Cumbria (497,900) and Northumberland (316,000) within Northern England, and Dumfries & Galloway (149,900) and Scottish Borders (114,000) in Southern Scotland. In terms of settlement, the largest urban centre is at Carlisle and the District as a whole has an estimated population of 108,000. There are also towns with significant industrial histories in West Cumbria (Whitehaven, Workington) and in South-East Northumberland. The region as a whole, however, is more characterised by dispersed settlement, market towns and smaller service centres across rural areas.

The socio-economic characteristics of the Anglo-Scottish Borderlands have been reviewed extensively elsewhere (see Schmuecker, Lodge and Godall 2012; Shaw *et al* 2013, 2015,). For the purpose of the analysis in this article, however, there are several important characteristics that should be noted. As a general point, while there are some differences between the communities that lie either side of the

border, the similarities between them in terms of socio-economic structures and trends over time are much more striking. Population structure, for instance, shows a common pattern for ageing. The latest data for 2014 shows that the Borderlands has above average numbers in older age groups (23% over the age of 65) and below average population of working age (61%) and under 16s (16%) compared to UK averages. This pattern of ageing is a long-term trend in all four of these Strategic Authorities. A related feature of change concerns the fall in population of working age; all four Local Authorities have begun to experience a progressive *absolute* decline in numbers of Working Age Population over the period since 2008-2009.

There are also significant similarities in terms of economic structure and employment. Over the past decade, economies across the Borderlands have experienced many of the economic challenges that have faced the UK as a whole. This is reflected in trends in many economic indicators, including changes in gross value-added (GVA). Work based GVA has grown overall since the mid 2000's though the trend has been uneven and marked by years of absolute decline, most recently in the period 2008-9. In terms of employment, the Borderlands accounted for 425,600 jobs in 2013. Data from the UK government Business Register and Employment Survey indicates dependence on sectors associated with the public sector (health 16% and education (8%) alongside manufacturing 14%; retailing 11% and tourism-related services (accommodation and food services 10%).

While large parts of the Borderlands are rural in character, manufacturing activity provides employment for significant numbers of workers in the area. The data suggests that manufacturing activity is located quite widely across the Borders area, although there are particular concentrations in Cumbria (16% of total), notably in the West of the County. Across the Borderlands from 2009 to 2013, there was a percentage fall in employment of 1.9% representing a net loss of 8,054 employees. These trends suggest that the Borderlands have not shared in growth that has characterised the national economy in this period.

Finally, all four Authorities in the Borderlands have significant land-based economies. Data from the Annual Population Survey (APS) workplace analysis suggests that the labour force in agriculture and fisheries for the Borderlands between April 2014 and March 2015 was around 24,300. Putting this in perspective, the labour force in agriculture and fishing slightly exceeds employment in public administration, is fairly similar to construction and is equivalent to around 40% of the numbers employed in manufacturing.

This description serves to emphasise the point that despite differences in national identity on the Anglo-Scottish Border, there is very considerable shared history and common socio-economic characteristics that give rise to similar policy concerns in terms of public service delivery and economic development. In terms of the wider debates in border studies, it is a situation where one might anticipate high levels of synergy and cooperation in economic development. This is an expectation, however, that is increasingly questioned due to the process of devolution of powers that has been under way in the UK since at least the 1990s. Over the past fifteen years, attention given to cross-border collaboration in economic development has varied over time. The analysis below analyses the underlying factors that have

influenced the levels of cross-border collaboration. An attempt is made to interpret these changes using the analytical framework developed in Figure 1.

Collaboration in Economic Policymaking: Border Visions Partnership 2000-2004

The experience of policymakers on the Anglo-Scottish border illustrates one key point that a long shared history and similarities in socio-economic conditions and policy concerns may be influential factors but they are not a sufficient explanation for cross-border policymaking. This can be illustrated by examining the various circumstances that coalesced to spawn the Border Visions initiative which led to a period of heightened cross-border interaction between policymakers in economic development during the period 2000-2004. On the English side of the Border, the Labour Government had only recently established the Regional Development Agencies (RDAs) which had divided territory on the Border between the east (Northumberland was part of the North East RDA “One North East”) and west (Cumbria was placed within the North-West RDA from 1999). These changes created some impetus and resource for local economic policymaking and some capacity to respond to opportunities. In Southern Scotland, the two local authorities, Dumfries & Galloway and Scottish Borders, had shared ambitions for development that had been nurtured in part by past experience of collaboration in delivery of the Objective 5b ERDF Programme 1994-99 and the prospects of further funding through the South of Scotland ERDF Objective 2 programme for 2000-2006.

These circumstances coincided with a specific media interest in the Borderlands. The independent broadcaster, Border TV was in the process of acquisition that was believed to be a threat to the autonomy of this broadcaster based in Carlisle. The company was acquired in May 2000 by Capital Radio who subsequently agreed the sale of the TV Broadcasting to Granada TV in July 2001. This stimulated debate about the nature of the Borders as a distinct cultural and functional entity and the characteristics of the Border TV broadcasting region (Smith *et al* 2002). The significance of Border TV in the process of policymaking was recognised formally in minutes of meetings. Reporting on the 2002 Anglo-Scottish Borders Conference, a report to Cumbria County Council Cabinet in 2001 described the Border Visions initiative as the outcome of “discussions between Border MPs and Border TV, as a joint effort to maintain and improve cooperation and share good practice between the areas along the England-Scotland Border”¹.

In the midst of these changes, the area became the epi-centre of the 2000 foot-and-mouth crisis which hit the rural and visitor economies particularly hard. There were few positive outcomes to the FMD crisis, but one perhaps can be stated, and that concerns the attention it drew to the artificiality of the border in the context of environmental impacts, bio-security, economic linkages and also policymaking. The lack of frameworks for developing and implementing shared policies across the Border had been exposed by the crisis and this had the effect of focusing attention on the potential benefits of cross-border working in policymaking.

These funding regimes and associated institutional changes created a mood of optimism about the possibilities for development that were reflected in the sentiments expressed in the Border Visions policy statements at the time. These arguments can readily be substantiated by the contents of the Memorandum of Agreement reached between the partners involved in the Border Visions process. This arose from a meeting held on 4th November 2002 in which public and private sector leaders “Recognised the challenges and opportunities for rural renaissance in the Border areas” and “agreed to commit available resources to develop joint-working proposals” (Border Visions Partnership 2002 p. 62).

It is also clear from this Statement that the optimism expressed was underpinned by expectation of funding and resource. The Memorandum continues, in all these activities, the opportunities afforded by local Leader+ Programmes will be maximised and knowledge-bases accessed from Europe and beyond”. However, the indications are that the partnership was not only resource-driven, but also cemented by policy synergies notably in implementing foot and mouth recovery plans, coordinating local Transport Plans and tasking forward joint working in food production and marketing. The level of optimism went so far as to suggest the possibility of pooling resources to achieve common outcomes: “A joint fund will be established to provide financial resources for initiatives and projects” (Border Visions Partnership 2002, p 62).

The Border Visions initiative also benefited from the purpose and leadership displayed in succession by the four strategic authorities. However, Elected Members and Officers at Dumfries & Galloway Council played a particularly significant role in generating interest and enthusiasm for cross-border working and this is reflected in their role in promoting events. There was explicit reference to “working with neighbouring authorities” in the Council’s Corporate Plan (2003) and a report to Corporate Policy Committee (5th October 2004) concluded that “Dumfries & Galloway Council has to date been an ardent support of the Border Visions work and it is important that we continue to support cross border working to make best use of resources and to improve the ‘border voice’ for the good of our region”².

As it transpired, four major events (Anglo-Scottish Border Conferences) were held to promote the idea of Border Visions between 2000 and 2003. Partly as a consequence of ownership changes affecting Border TV, the Border Visions conferences attracted significant media attention and were hosted by media and literary personalities with links to the Borders (Eric Robson, writer and Broadcaster; Alistair Moffatt, writer, broadcaster and Chairman of Scottish TV Regional Board).

The discussions ranged quite widely but particular focus was given to transport, forestry and rural recovery. Other themes however included business support, social welfare, heritage and the arts, power and energy as well as healthcare. Attendance at these events was impressive even for the time. The delegate list for the event in 2002 held near Hexham in Northumberland, for instance, numbered 120 individuals that included Chief Executives and Leaders of most of the Local Authorities as well as representatives from both sides of the Border (35 policymakers from Scotland attended including some from Scottish Executive). There were representatives from

regional bodies, tourism organisations, education providers, the media, private business, transport providers as well as local authorities.

Reflecting on these events, it is clear that the experience of the Border Visions partnership 2000-2003 displays several of the factors that underpin different models of partnership outlined earlier. Recognition of significant shared interest and *policy synergies* certainly played a part in sustaining cross-border collaboration. There was a clear focus of shared issues related to key sectors for development (tourism, transport, food, forestry) as well as specific policy issues (foot-and-mouth recovery plans). There were also attempts to combine resources to maximise impacts. *Resource synergy* remained modest and short term, but even so, it proved possible to set up a Border Visions Fund and to get agreement on use of funds for common objectives. The anticipation of *budget enlargement* may have been a factor cementing some commitment to the Border Visions process. However, this aspect was never a prominent feature and development of funding bids was not part of the agenda. Rather, the Memorandum of Agreement explicitly stated that the purpose of Border Visions was to “agree to commit available resources to develop joint-working proposals” (Border Visions 2002, 62). The desire to *share knowledge* and learn from one another was also a major feature including attempts to improve policy alignment across the border in relation to transport planning, forestry and business support.

As regards the Border influence on partnership, there were at this time notable factors that favoured cross-border working. In relation to past phases of policymaking, the period 2000-2004 was marked by higher levels of orientation to the needs of the local economies either side of the border due to commitment to the investment priorities of the Regional Development Agencies in England (formed in 1999) and the devolved character of the work of Scottish Enterprise which was aligned to the funding streams for economic development channelled through the South of Scotland Partnership which managed delivery of the ERDF Objective 2 programme for 2000-2006. This combination of devolved structures created a degree of symmetry between institutional structures for economic development either side of the Border. The data on social and economic characteristics illustrates many similarities between these territories that could, in some circumstances, generate competition rather than collaboration. However, the priorities for Border Visions specifically identified sectors where the interests of all territories could be served, including coordination of forestry activity, rural recovery from the outbreak of foot-and-mouth disease and, in particular, transport infrastructure and joint lobbying for improved public transport services.

Cross-border Collaboration: from Border Visions 2004 to Borderlands 2014

Interest in cross-border issues on the Anglo-Scottish Border was revitalised after 2012 due to debates surrounding greater devolution of powers from the UK Government to Scotland. The Referendum on Scottish Independence which took place in September 2014 generated a wide-ranging debate concerning historic and contemporary relationships between England and Scotland. The sequence of events that led up to the Referendum included the creation of the Scottish Parliament in 1999 with devolved powers from UK Government over education, health, agriculture and justice systems for Scotland. In 2011, the Scottish Parliament

Election of that year resulted in a majority of Scottish National Party (SNP) Members of the Scottish Parliament (MSPs) (67 out of 129 Seats). This was followed in 2012 by the Scotland Act that gave additional borrowing powers to the Scottish Government and powers to vary income tax within Scotland after 2016. The media debates that surrounded the period leading up to the Referendum were understandably dominated by national issues rather than regional or local ones. There was much discussion surrounding the consequences of independence for currencies, national debt, constitution, monarchy and members of the EU and NATO. In the midst of these discussions, however, there was also intensified interest in the North of England in particular in the consequences of independence or greater devolved government in Scotland for the regions and localities situated close to the Anglo-Scottish Border.

The issues for the North of England were documented in a report produced by IPPR North (Schmuecker, Lodge and Godall 2012). This is an attempt to document the implications of Scottish Autonomy for the North of England. The issues raised mainly focused on the threats to the North of England due to competition from Scotland arising from the adoption of “aggressive tax competition” including the possibility of lower Corporation Tax and lower Airport Duties in Scotland. It was argued that this would give Scotland an unfair advantage over the North of England in attracting and retaining private sector investors. The opposite argument, however, that an independent Scotland would actually benefit the North of England, was also cited. The Scottish National Party argue for instance, that the North of England could benefit from improved transport to and from Scotland.

These arguments presented in the IPPR North document tend to focus on the more strategic issues for the North of England as a whole which contrasts somewhat with the more operational day-to-day coordination of strategy that concerns those communities that lie closer to the border itself. There are evident scale effects in understanding the impacts of the Border on economic policy and strategy. In an analysis of similar issues in the Ireland – Northern Ireland Border, Nauwelaers, Maguire and Ajmone Marsan (2013) make a distinction between two definitions of the cross-border area: the “narrow border” area and the “all-island” area. The same could be said of the Anglo-Scottish Border, that there is a “near Border” area defined in terms of daily commuting, and travel to shop or travel to learn patterns, and the “far border” area that covers the whole of Northern England including the conurbations of Tyneside and arguably as far south as Liverpool, Manchester and Leeds. There may be significant differences in the nature of collaboration and competition at these different scales, for instance a heightened need for effective cross-border collaboration in local transport planning, access to public services and emergency response within the “close-border” area.

In a separate study, Shaw *et al* (2013) also examined the implication of greater Scottish autonomy for the North East of England and Cumbria. This report reiterated concerns related to the adoption of more aggressive tax competition from Scotland, but tempered these concerns with the view that the debate surrounding Scottish Independence suggested that the Scottish and UK Governments may be more receptive than previously to new ideas and approaches to cross-border collaboration. This report became the basis for renewed attempts to improve partnership-working across the border. As a result, the Borderlands Initiative was

established in August 2013 involving leaders from Scottish Borders, Dumfries & Galloway, Carlisle City, Cumbria County and Northumberland councils. A series of Summits were held subsequently in April and November 2014 to discuss ways in which joint-working across the border could be used to exploit opportunities in economic development.

Borderlands 2014 and the Determinants of Cross-Border Partnership

The discussions that ensued represent some elements of continuity with the Border Visions experience ten years previously. The Borderlands initiative identified a very similar range of key sectors where opportunities were thought to exist for collaboration including in tourism, energy, forestry, education, transport and communication. The need for the Borderlands to “speak with one voice” in lobbying for both public and private investment was also a key part of the motivation for cross-border partnership-working. This aspect, however, took on enhanced significance due to the fact that the Borderlands debate in 2014 took place in the context of a wider debate about the relations between England and Scotland.

Unlike the Border Visions partnership, Borderlands 2013 became a *key point of debate at national level* in both Scotland and England. This is evidenced by the publication of the report *Our Borderlands – Our Future: Final Report* published by the House of Commons Scottish Affairs Committee in March 2015. A debate about cross-border working and cooperation between local government and communities at a local level was played out on a national stage and recognised as a crucial aspect of the wider debate. This report drew attention to the benefits of improved collaboration and these reflected many of the aspects that feature under Border Visions as reflected in models of partnership-working outlined earlier.

Both *policy synergy* and *budget enlargement* were recognised as potential key motivators for cross-border working at this time. The possibility of securing additional funding for the area through joint-working and lobbying was clearly recognised as a factor influencing commitment to collaboration – hence the frequent reference in policy reports to the need to compensate for lack of profile and media visibility by working together to develop a ‘common voice’ to influence national governments (e.g. House of Commons 2015, p. 25). At the same time, participants also recognised the significance of *cross-border policy synergies*, *resource synergies* as well as *shared knowledge* as key reasons for joint-working particularly in a period of public sector austerity. As noted by one participant, “pooling our resources, ideas and experience to improve issues such as transport links and employment will benefit not only Northumberland but the wider region and Southern Scotland as well”³.

While the motivations for cross-border collaboration appear to have strong parallels between Border Visions 2004 and Borderlands 2014, there are also some key differences in circumstance that influence the nature and prospects for effective joint-working. Borderlands may have the advantage of much higher national media and policy profile, but at the same time, there also appear to be *greater barriers to cross-*

border collaboration in 2014. These barriers can be analysed using the framework adapted from the work of Trippl on the key determinants of cross-border policymaking (see Figure 2).

FIGURE 2 ABOUT HERE

Considering first the scales of governance either side of the border, since 2010 the level of local decision-making in economic policy has reduced considerably on both sides of the Anglo-Scottish Border (*Governance dimension*). On the English side of the divide, the Regional Development Agencies have been abolished and replaced by less well-resourced Local Enterprise Partnerships (LEPs) with a more limited range of functions and powers compared with the former RDAs. It is fair to say that the former RDAs have been subject to critique for their lack of local accountability and their adherence to delivery of nationally-determined output targets. However, the demise of the RDAs led to significant centralisation of industrial policy, inward investment promotion, business support and innovation policy in England. Within Scotland, there has been a similar process of centralisation of such functions in Edinburgh following reorganisation of the functions of Scottish Enterprise after the 2007 elections to the Scottish Parliament. This restructuring effectively replaced the network of Local Enterprise Companies (LECs) that delivered local economic policy across Scotland with a centralised Scottish Enterprise delivering its service nationally. According to some commentators, this shift in emphasis has led to the specific needs of the South of Scotland being overlooked (see for instance, comments recorded in House of Commons 2015, 31).

These shifts in regional and local governance have had consequences for *institutional capacity* on the Anglo-Scottish Border. Institutional capacity has been reduced either side of the Border not only through changes in governance but also due to reductions in public expenditure on services delivered via local authorities. In the County of Northumberland in particular, the former 2 tier structure consisting of county and six district authorities (Alnwick, Berwick-upon-Tweed, Tynedale, Blyth Valley, Wansbeck, Castle Morpeth) was abolished in 2009 and replaced by a Unitary Northumberland County Council. Elsewhere, local authorities have experienced significant and continued downward pressure on budgets due to UK austerity measures since 2010. As a consequence, policymaking is relatively weakly oriented to the specific needs of territories and authorities located near the Anglo-Scottish Border. Industrial policies and interventions to support business innovation in particular are driven by nationally-determined priorities in both England and Scotland which are less relevant to the sectors and types of businesses that characterise the Borderlands.

Conclusion

This analysis of cross-border collaboration in economic development on the Anglo-Scottish Border has demonstrated the continued relevance of the models that have been applied to local economic partnership working in previous research. In particular, it has been shown that cross-border collaboration is generated and sustained by a complex mix of motives – the search for funding is part of the process but collaboration can also be sustained by a desire to maximise impact, learn new

ways to address common problems and make better use of existing resources. Over time, the nuances in cross-border partnership can shift in response not only to specific events (such as the FMD Crisis in 2000 and the Scottish Referendum in 2014) but also to changes in general economic conditions and national policy priorities. Periods of institutional change combined with austerity have led to significant disruption to cross border social networks, reduced institutional capacity and created greater levels of institutional asymmetry across the Anglo-Scottish Border. As demonstrated by the renewed interest in Cross Border partnership since 2013, these changed circumstances have increased recognition of the need to improve cross-border collaboration whilst simultaneously intensifying barriers and diminishing resource to meet these challenges. Expectation of budget enlargement has been relatively low, hence collaboration across the Border since 2013 has relied to a greater extent than in the past on the search for policy synergies and resource synergies to achieve a better outcome from a diminishing resource base. This suggests that the motivation to engage in cross-border collaboration varies over time depending in part on national responses to economic cycles.

This case of the Anglo-Scottish Borderlands adds to the existing catalogue of case studies of borders and border regions. As a case, however, it does more than add illustration to a growing body of literature. Due to the specific situation, this example sheds light in particular on the significance of institutional change for cross-border collaboration. In this borderlands region that has a high level of historic connection, shared identity, long-standing functional relationships and many common socio-economic characteristics, institutions still make a difference to the level of cross-border interaction which has fluctuated over time. It has also been shown that unique events and coincidences can open as well as close the channels of communication that are vital for cross-border collaboration.

Institutional changes can influence the intensity and motivation for collaboration across borders. There are, however, other aspects that remain to be investigated. These include questions surrounding the way in which different types of governance arrangement for cross-border working evolve over time and the types of policy instruments that are used to facilitate collaboration in different circumstances. How for instance, do forms of governance and policy instruments vary in times of plenty as opposed to periods of austerity? How do these varied circumstances affect the relationships between public, private, voluntary and community sectors and their capacity and commitment to partnership in general and its extension to cross-border collaboration? The analysis in this article is also largely focused on immediate neighbours across borders and their response to border issues. As the analysis suggests, however, this local scale is just one element of governance which is multi-layered and the outcomes in terms of specific policy intervention across borders arise from complex interactions between socio-economic and political debates occurring simultaneously at differing scales.

Endnotes

¹ Report to Cabinet from Director of Community, Economy and Environment, Cumbria County Council, 23rd July 2001.

² Dumfries & Galloway Council Corporate Policy Committee, 5 October 2004. Paper on Border Visions, p. 3.

³ First Scotland-England cross-border summit staged – reported on BBC 4th April 2014 <http://www.bbc.co.uk/news/uk-scotland-south-scotland-26850971>.

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Figure 1: Key Determinants of cross-border collaboration in economic policy

	Factors inhibiting cross-border policymaking	Factors favouring cross-border policymaking
Governance dimension	Centralist political systems with few devolved functions in economic development and policy Casual co-operation across borders for specific purposes only	Federalist or devolved political systems for decision-making in economic policy Coherent and locally-owned economic policies and priorities
Institutional dimension	Dominance of asymmetric transboundary relationships Significant differences between National innovation systems and economic policies	Dominance of symmetric transboundary relationships Minor differences between National innovation systems and economic policies
Knowledge infrastructure dimension	Weak policy orientation on the needs of the regional economy Policymaker focus on national priorities in the regions	Strong orientation on the needs of the regional economy Strong cross-border policymaker networks
Business dimension	Business support interventions focus entirely on support for low wage economy and sectors with low productivity Business support agencies focus on the same narrow range of sectors which encourages competition rather than collaboration	Business support agencies support weaker sectors but also stimulate specialist areas of high productivity and growth Business support agencies seek to nurture unique assets and stimulate complementarity with neighbouring territories

Source: adapted from Trippl (2010, 156)

Figure 2: Changing influences on Collaboration across the Anglo-Scottish Border

	Border Visions 2000-2004	Borderlands 2013-16
Governance dimension	<p>Some local decision-making and economic strategy regarding priorities for local economic development in the borders area</p> <ul style="list-style-type: none"> Local Partnerships in England developing economic strategies within frameworks created by the RDAs South of Scotland Partnership exercise partial autonomy over use of ERDF, ESF and LEADER funding for projects across Dumfries & Galloway and Scottish Borders 	<p>Decreased levels of local policy decision-making in both Scotland and England</p> <ul style="list-style-type: none"> Key economic development functions of former RDAs centralised in England (Business Support, Inward investment) Limited local autonomy for Local Enterprise Partnerships (LEPs) in England Increased levels of centralisation of economic development functions for Scotland within Edinburgh
Institutional dimension	<p>Some degree of symmetric trans-boundary relationships for delivery of economic development</p> <ul style="list-style-type: none"> Decentralised Scottish Enterprise structures and South of Scotland Partnership alongside Regional Development Agencies in England Strategic Authorities with similar range of functions for economic development (Cumbria, Northumberland, Dumfries & Galloway, Scottish Borders) 	<p>Increasing levels of asymmetry in trans-boundary relationships for delivery of economic development</p> <ul style="list-style-type: none"> Greater centralisation of economic development functions within Scotland in Edinburgh Demise of regional development agencies in England Weakened capacity for delivery of economic development in local authorities on both sides of Border due to austerity
Knowledge infrastructure dimension	<p>Local capacity and some degree of decision-making autonomy in economic policy</p> <p>Increased potential for cross-border knowledge exchange and orientation of policy to the needs of the region</p>	<p>Local economic policies heavily influenced by national priorities for growth in national priority sectors</p> <p>Generates relatively weak orientation of policymaking to the specific needs of the Borders economy</p>
Business dimension	<p>Sector priorities influenced to some extent by regional sector and cluster policies in both England and Scotland</p> <p>Sector priorities, however, tend to converge on a narrow range of sectors identified as priorities by the EU and national government</p>	<p>Business support and innovation policies determined largely at national levels in both England and Scotland</p> <p>Smart specialisation strategies dominated by national strategic priorities. Weaker “regional” or “place-based” intervention</p>