

# EXPERT EVIDENCE TO THE LONDON STANSTED CAMBRIDGE CORRIDOR GROWTH COMMISSION



**"THE LONDON-STANSTED-CAMBRIDGE  
CORRIDOR: LESSONS FROM GLOBAL  
EXPERIENCE"**

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The LSCC Growth Commission aims to provide independent analysis and advice to raise the global economic potential of the London-Stansted-Cambridge Corridor, setting out a 30-year vision for transformational change.

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# **Growth Commission**

London Stansted Cambridge Corridor



objective + evidence-based + independent

# EXECUTIVE SUMMARY

## BACKGROUND

This report was commissioned as an introduction to the issues and challenges facing corridor economies and knowledge regions, and provides insights from the LSCC Growth Commission's expert advisor, Professor Michael Enright. It is intended as a 'primer' to guide the work programme and priorities of the Growth Commission.

Professor Enright's paper offers a summary of his 30 years of experience, and directs this at the challenges facing the London-Stansted-Cambridge Corridor. He identifies a number of critical issues, and priorities for the Growth Commission to consider.

To retain, and build the Corridor as a competitive location for business and talent...

Professor Enright summarises the needs of a region which aims to compete and continue to succeed as a knowledge – based and creative economy as:

- **World class infrastructure**
- **Appropriate industrial/ business sites and premises**
- **Multiple skills** (at all levels, e.g. being able to support provision of skills whether through training institutions and/or providing the right environment to live and work for leaders and highly-skilled professionals)

- **Attractive working and living spaces** – in particular as senior professionals and leaders are highly mobile and will choose the most attractive places to live, work and do business

Some particular challenges for the Corridor...

- **Complex governance** – the multiple jurisdictions of local authorities and organisations, and the relative position of Central Government in terms of control over resources.
- **Infrastructural challenges** – it is a valid question to ask whether current infrastructure is competitive with other knowledge economies, and whether it is sufficient to encourage further investment and economic activity
- **Understanding capabilities**, assets and potential – there is perhaps insufficient analysis and insight in terms of the capabilities, supply chains and clusters, and opportunities – i.e. what constitutes the Corridor?
- **Identifying the nodes in the Corridor**, understanding where there is critical mass – is the Cambridge economy of a sufficient scale and scope to support the corridor as the counterpart to London? Are there sufficient nodes of scale/scope between London and Cambridge?



# INTRODUCTION

## THE GOAL OF THIS PAPER IS TO INFORM THE INITIAL VIEWS AND TERMS OF REFERENCE OF THE LONDON-STANSTED-CAMBRIDGE CORRIDOR GROWTH COMMISSION

The focus of this report is on some of the lessons the author has learned in nearly 30 years working on issues of national, regional, and local competitiveness and development. Given the nature of the Corridor, the focus of the paper is on economic corridors and similar regions that span a limited number of contiguous jurisdictions all of which are within a half-day trip by road. This size provides a compact economic region where development in one part of the region has the potential to have a direct or indirect impact on the rest of the region.

## THIS DOCUMENT IS BASED ON THE AUTHOR'S EXPERIENCE OF WORKING ON REGIONAL INITIATIVES IN A WIDE RANGE OF REGIONS AND COUNTRIES AROUND THE WORLD

This paper starts with some background on the knowledge-innovation-creative (KIC) economy, since the Corridor clearly has a KIC economy focus. It then describes some of the specific lessons that the author has learned about economic corridors. The author then goes on to describe some of the characteristics of successful innovation corridors. Finally, there are some critical observations about the London-Stansted-Cambridge Corridor and research process is outlined that could be used to support the work of the Growth Commission.

## ABOUT THE AUTHOR



**Professor Michael Enright**  
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A global expert on regional economic development and industry clusters, Professor Enright's research has focused on international competitiveness, regional clustering of industry, and economic development. He has directed or co-directed major reviews of economies in 20 countries on five continents and has co-authored ten books on competitiveness and numerous papers on regional clustering.



A blue-tinted photograph of two scientists in a laboratory. A man in the foreground is wearing a white lab coat, glasses, and a tie, holding a pipette. A woman behind him is also in a lab coat and wearing safety goggles. They appear to be working together at a lab bench.

## 2. THE KNOWLEDGE- INNOVATION-CREATIVE (KIC) ECONOMY

## THE KNOWLEDGE- INNOVATION-CREATIVE (KIC) ECONOMY AND THE LONDON-STANSTED- CAMBRIDGE CORRIDOR

A plausible strategy may be for the London-Stansted-Cambridge to become a leader in the knowledge-innovation-creative (KIC) economy

### DEFINING THE KIC ECONOMY

The knowledge-innovation-creative economy generates value through developing and leveraging intellectual property and intangible assets.

The knowledge-innovation-creative (KIC) economy does include science and technology-based business - but it also includes innovative service sectors, creative and cultural industries, the use of advanced technology in “low-tech” and “mid-tech” industries, brand development, improved processes, new business models, and new marketing, distribution, and management systems.

### KNOWLEDGE, INNOVATION AND CREATIVITY CAN BE A SOURCE OF ADVANTAGE IN ANY INDUSTRY

Thus when we think of the Corridor, which includes headquarters, managerial activities, professional services, and creative industries as well as technology-based business, we need to make sure that we think sufficiently broadly, since knowledge, innovation, and creativity can be a source of advantage in any industry.

## REQUIREMENTS OF THE KNOWLEDGE-INNOVATION- CREATIVE ECONOMY

### THE KNOWLEDGE-INNOVATION- CREATIVE ECONOMY REQUIRES THE RIGHT PEOPLE, POLICIES, FINANCE, AND ATTRACTIVE LIVING AND WORKING ENVIRONMENTS

The knowledge-innovation-creative economy requires several factors to develop and succeed. It requires innovative people, supportive policies, suitable finance, attractive living and working spaces, amenities to attract mobile professionals, and a supportive environment. Each of these is critically important in building an economy that generates and leverages intellectual property and intangible assets.

### KIC SUCCESS FACTORS: #1 LEADERS

### THE TYPICAL COMMERCIALY SUCCESSFUL INNOVATION TODAY IS A NEW BUNDLE OF EXISTING TECHNOLOGIES COMBINED TO SERVE EXISTING OR NEW DEMANDS

Innovation leaders are often well-educated and trained. They are able to think freely as well as “out of the box” when it comes to new ideas. Innovation today builds on diversity, within organizations, across organizations, and even within individuals. The typical commercially successful innovation today is a new bundle of existing technologies combined to serve existing or new demands.



Major innovations come less from putting together people with the same background that think in the same way than from putting together people with different backgrounds and complementary skills and outlooks. Commercially successful innovation comes from locations, organizations, and individuals that have the ability to understand new technologies and advanced business practice, from cities, organizations, and individuals that can understand or anticipate market needs and can leverage productive capacity at home or abroad.

## KIC SUCCESS FACTORS: #2 SUPPORTIVE POLICIES

Supportive policies include investments in traditional education and training, in science and technology, and in the arts and business. They involve investment in modern infrastructure, particularly in the communication and transportation infrastructure that allows people to interact with those in their local and national setting, and allows them to learn from ideas generated globally.

Other important policies include incubators and centres for innovative start-ups, as well as the protection of intellectual property and light-handed regulation. Innovative and creative companies start small, and in most countries around the world, the regulatory system is based on what might be appropriate for large companies rather than small companies, which makes the regulatory burden difficult for innovative start-ups.

## KIC SUCCESS FACTORS: #3 FINANCE

The KIC economy also requires suitable finance. This includes public support for university and institute research, large companies with the resources and willingness to invest in research and development, angel and venture capital for start-up companies, access to bank loans, and the ability

to obtain stock market listings. Very early-stage, basic research is typically funded by public or institutional funds.

### ANGEL AND VENTURE CAPITAL INVESTORS PROVIDE NOT ONLY CAPITAL, BUT BUSINESS ADVICE AND NETWORKS OF CAPABLE PEOPLE. SOMETIMES THIS IS MORE IMPORTANT THAN THE FUNDS THEY PROVIDE

Large companies might not be the most innovative, but they often are the only companies with a critical mass sufficient to be leaders in platform technologies and knowledge. Angel and venture capital investors provide not only capital, but business advice and networks of capable people. Sometimes this is more important than the funds they provide.

Capital from both local and foreign sources is usually necessary if a nation, region, or city is going to be successful in several facets of the knowledge-innovation-creative economy. Access to stock markets is key, not only because they potentially provide funds to grow the company once it has proven its business plan, but also because stock markets provide an “exit” for the angel and venture capital companies that usually do not invest unless they can see a clear path to monetizing their investments through the stock market.



## KIC SUCCESS FACTORS: #4 ATTRACTIVE PLACES TO LIVE AND WORK

### INNOVATION, KNOWLEDGE AND CREATIVITY REQUIRES WORKING SPACES THAT ARE FUNCTIONAL, THAT INSPIRE, AND ALLOW FOR BOTH CREATIVE INTERACTION AND SOLITARY REFLECTION

Perhaps less obvious, but no less important, to developing the knowledge-innovation-creative economy is attractive working and living spaces. Generating new knowledge, innovating, and creating require working spaces that are functional, that inspire, and that allow for both creative interaction and solitary reflection. Innovation does not come from cookie-cutter approaches and usually does not come from cookie-cutter work spaces.

Professional services tend to congregate in well-appointed high-rises in vibrant city centres surrounded by high-quality entertainment, food and beverage, and retail outlets. Large-scale traditional research and development is often found in campus-like settings. Creative industries are often found in neighbourhoods with attractive culture and style. Informal space can be as important as formal space, since unplanned and casual interaction can foster innovation.

### IN THE “WAR FOR TALENT” REGIONS MUST PROVIDE AN INCREASINGLY ATTRACTIVE PACKAGE TO BRING IN THE BEST

Living spaces are also important, in particular the presence of varied residential offerings close to work, and affordable for knowledge workers. So too are attractive amenities, such as retail, entertainment, leisure, and cultural facilities as well as high quality public services (such as education

and healthcare), social spaces (such as parks and green spaces), and a pleasant living environment. The reason is that the people who drive the knowledge-innovation-creative economy are often mobile professionals who can pick and choose where they want to live and work. In the “war for talent” regions must provide an increasingly attractive package to bring in the best.

### A SOCIAL ENVIRONMENT THAT IS SUPPORTIVE TO INNOVATION IS ESSENTIAL

In addition to an attractive living environment, an innovation corridor needs to have a social environment that is supportive to innovations. The public must understand the value of innovation in improving people’s lives and providing employment opportunities. Entrepreneurs need to be educated on the business side as well as the creative side of their industries. Entrepreneur and investor clubs that provide advice and shared experience to newcomers can also be useful. Innovative environments tend to be those where it is respected to leave large companies to start new ventures, where it is “OK to fail,” and where entrepreneurs get a second chance.

## LESSONS FOR THE KIC ECONOMY

### THE SUCCESS FACTORS FOR A KIC ECONOMY GO WELL BEYOND R&D- BASED BUSINESSES

The main lessons for the KIC economy are that the KIC economy goes well beyond just R&D-based business and that the creative process across industries requires the right people, lots of connections and interaction, attractive industrial and residential space, and communities that attract mobile professionals. The “soft” side of “place” is just as important at the “hard” side to the KIC economy.





# 3. ECONOMIC CORRIDORS

## INTRODUCTION

Interest in economic corridors has grown substantially in recent years as regions try to find new ways to foster economic growth and development. The corridors discussed around the world vary hugely in size, in some cases involving corridors within a single city, and in others spanning regions as large as the Scandinavian-Mediterranean corridor being supported by the EU or even the “Modern Silk Road” promulgated by the People’s Republic of China, which is designed to create and recreate corridors from China to Western Europe.

## KEY LESSONS

As the Consortium moves forward, it might be useful to keep a number of simple lessons that the author has learned in nearly three decades of working on national, regional, and local development initiatives. These involve:

- > the importance of corridors and nodes;
- > what can be done in compact economic regions;
- > the need to match regional needs with jurisdictional firepower;
- > the importance of getting a range of stakeholders involved in regional development initiatives;
- > the importance of branding and self-awareness to promote regional development;
- > the rationales for intervention by a group such as the Consortium; and
- > the potential for “cluster thinking” to inform regional development efforts.

## CORRIDORS AND NODES

### HAVING STRONG NODES ALONG A CORRIDOR IS CRITICAL TO ITS DEVELOPMENT

One of the key lessons from efforts to develop economic corridors around the world is that corridors must lead from somewhere to somewhere. In other words, having strong nodes along a corridor is critical to its development. Two decades or more of efforts by the Asian Development Bank to develop economic corridors in the Greater Mekong Sub-region have had only limited impact in part because the attempt has been to build corridors from nowhere to nowhere (or between nodes that have not had the critical mass to foster corridor development). The result has been that infrastructure development has not been translated into corresponding economic development.

Vibrant economic corridors either link together important economic centres, or they radiate out from or around such centres. In the early days of the United States, the New York to Philadelphia corridor was the leading regional economy in the country. Since then, the Silicon Valley area (with important nodes in San Francisco, San Jose, and others), the Route 128 / 495 area around Boston (both of which go around Boston), the Research Triangle area (corridors and the triangle), and others have developed.



**WHILE THE GREATER LONDON AREA IS ONE OF THE WORLD'S LEADING CITY-REGIONS, IT IS NOT CLEAR THAT ANY OTHER PLACE ON THE CORRIDOR HAS THE CRITICAL MASS TO BE AN ENGINE FOR A VIBRANT REGIONAL ECONOMY**

In the Netherlands, the ring of cities that constitutes the Randstad has created a vibrant economic corridor. The Munich Metropolitan Region centres on Munich, but spans the surrounding region. The Île de France is one of Europe's leading economic engines. While the Greater London Area is one of the world's leading city-regions, it is not clear that any other place on the Corridor (even Cambridge) has the critical mass to be an engine for a vibrant regional economy.

## COMPACT ECONOMIC REGIONS

**EFFECTIVE REGIONS ARE DEFINED AS CONSISTING OF AREAS WITHIN 2.5 TO 3.0 HOURS TRAVEL TIME**

Another key lesson is that regions that are defined as consisting of areas within 2.5 to 3.0 hours end to end by surface transportation are different from larger regions. The 2.5 to 3.0 hour timing allows people to get to any part of the region, spend half a day or more on site, and then return home or to the home office in the evening. In this setting, skills and capabilities developed anywhere in the region can be exploited by every other location in the region. Customers that emerge in the region can be served by companies within the region. Suppliers that emerge in the region can be supplied by companies within the region. Bringing major areas into the "magic three hours" has been used as a justification for major infrastructure projects in the Yangtze Delta region (the Hangzhou Bay Bridge) and the Pearl River Delta

region (the Hong Kong-Zhuhai-Macau Bridge) in China, as well as in Australia, Italy, and India.

**IT MAY BE EASIER TO FOSTER COLLABORATION AND A SENSE OF REGIONAL IDENTITY WITHIN A COMPACT ECONOMIC REGION**

Another feature of compact economic regions is that it can be easier, though not in every case, to foster collaboration and a sense of regional identity within a compact economic region. The reasons include greater familiarity, more obvious benefits of shared investments or programmes, the greater likelihood of shared values and priorities, and a greater sense of local identity. At the same time, a 2.5 to 3.0 hour region is large enough for there to be a division of labour that can make a region more attractive to businesses and individuals who value variety, wish to access different types of locations without traveling too far, and so there can be a mix of industrial, residential, social, and leisure locations and amenities.

## REGIONAL PROGRAMMES AND JURISDICTIONAL FIREPOWER

In an ideal world (or nation) governments should have the economic decision-making and budgetary firepower that matched the geographic scope of the types of initiatives necessary to promote different types of economic development. Cities ideally should have the firepower to deal with urban issues. Regions ideally should have the firepower to deal with regional transportation issues. National governments ideally should have the firepower to deal with macroeconomic issues and inter-regional issues.



**IN MOST COUNTRIES LOCAL,  
REGIONAL AND CITY  
GOVERNMENTS DO NOT HAVE THE  
POWERS AND BUDGETS TO MAKE  
MANY MAJOR LOCAL AND  
REGIONAL DEVELOPMENT  
DECISIONS AND INVESTMENTS**

While this situation exists to a certain extent in the United States and Germany, the reality is that even in those countries, regional governments do not nearly have the powers and budgets to make many major local and regional development decisions and investments on their own. This means that there is a constant interaction between local, regional, and national governments in most countries to get significant regional development programmes and policies going. This can result in conflicts between different jurisdictions, a mismatch of the supply and demand for key government investments, and the absence of some forms of institutions and support structures.

**PROGRAMMES AND POLICIES FROM  
OTHER NATIONS NEED TO BE  
CAREFULLY ASSESSED AND  
ADAPTED FOR IMPLEMENTATION AT  
HOME**

This means that nations and regions have to be careful in assessing and adapting programmes and policies that might have supported regional development abroad. For example, it does not help too much to suggest to local authorities in Australia or New Zealand that a significant part of the “answer” to the question of funding small and medium-sized companies in places like Germany, Italy, and Switzerland is regional (subnational) banks supported by regional governments, when Australia and New Zealand do not have regional (subnational) banks. Instead, it just shows that another “solution” has to be found to SME funding issues in these countries.

**IMPORTANCE OF BRAND  
AND SELF-AWARENESS**

“Place branding” has received a great deal of attention in recent years. When done properly, place branding communicates a clear and accurate picture of the place and its attributes, provides an easily recognizable identity, and is an important part of a strategy to generate regional collaboration. All of these can make important contributions to regional development. Silicon Valley, Route 128 / 495, the Research Triangle, Medicon Valley, the Cambridge Phenomenon, the Greater Pearl River Delta, the Yangtze River Delta, the M4 Region, the Hsinchu Science Park, and many other locations have benefited greatly from their “brand recognition.”

**PLACE BRANDING IS MOST  
EFFECTIVE WHEN IT IS BASED ON A  
DEVELOPMENT STRATEGY THAT  
REFLECTS A MEANINGFUL  
ASSESSMENT OF A PLACE'S  
IDENTITY, ATTRIBUTES AND  
OPPORTUNITIES**

On the other hand, when not done properly, place branding degenerates into meaningless slogans, makes promises that the place cannot keep, and hinders rather than helps regional strategy formulation. A good example of the latter is Hong Kong's attempt to brand itself as “Asia's World City.” The main problem is that there is no world city in Asia in the same way that New York or London are world cities, so the brand was not valid.

A second problem was that instead of Hong Kong “striving to be Asia's World City,” and therefore trying to emulate cities like New York or London, by claiming Hong Kong was already there, the slogan removed the incentive to benchmark against New York and London, learn what would have to be done to close the gaps, and use these lessons to overcome special interests that might



obstruct needed change. As a result, the adoption of the “Asia’s World City” brand more or less resulted in a virtual halt to any meaningful strategy development for the city’s development.

It is important that any place branding or region branding begin with a realistic assessment of what defines the region, what it offers, and what vision local authorities, residents, and businesses can get behind. It is the author’s experience that brand consultants tend not to be so useful until a clear positioning and strategy is already developed, otherwise the strategy tends to be subservient to the branding exercise rather than the other way around.

## RATIONALES FOR INTERVENTION

### ECONOMIC RATIONALES FOR INTERVENTION ARE A NECESSARY FOCUS WHEN ENGAGING WITH THE TREASURY OR FINANCE DEPARTMENTS OF NATIONAL GOVERNMENTS

One important feature of successful regional development initiatives in our experience is the presence of a clear rationale for public or public-private intervention that focuses explicitly or implicitly on one or more key market failures. The main market failures that successful regional initiatives tend to target (explicitly or implicitly) include impacted information, managerial myopia, under-provision of public goods, and coordination failures.

All four are classic market failures that even most free-market economists would agree can provide reasons for intervention. Impacted information is when beneficial information is not available or not available in a usable form to local jurisdictions and companies. Information gathering and provision is traditional aspect of many government economic

development programmes. Managerial or decision maker myopia is when the information is available, but managers and / or decision makers do not have the time or ability to process the information sufficiently to act on it. The traditional approach to overcoming this failure is through training or education.

Under-provision of public goods, or in some cases inappropriate targeting of public goods, occurs when the market or even the public sector does not provide sufficient or sufficiently targeted education, infrastructure, and other public goods. Finally, coordination failure occurs when various actors understand that there are potential gains to collective action, but in the absence of some catalyst there is insufficient coordination for collective action to take place.

### THE ACTIVITIES OF THE CONSORTIUM TO DATE HAVE ALSO TARGETED ISSUES ASSOCIATED WITH INFORMATION, EDUCATION, PUBLIC GOODS, AND COORDINATION

Although they might not explicitly do so, in the author’s experience, successful regional development initiatives almost invariably target at least one of these four market failures in one way or another. Whether it was conceived in this way or not, the activities of the London Stansted Cambridge Consortium to date have also targeted issues associated with information, education, public goods, and coordination. As it goes forward, it may choose to explicitly identify which market failures or systems failures it addresses in order to ensure its activities and those of others help to overcome these failures. It is also the author’s experience that it is sometimes necessary to couch the activities of organizations such as the Consortium in terms of market failures in order to get them through government agencies that might be populated by neo-classically trained economists.



## THE POTENTIAL OF “CLUSTER THINKING”

### SEVERAL OF THE MAJOR “INDUSTRIES” IN THE CORRIDOR ARE NOT INDUSTRIES AT ALL, BUT RATHER GROUPS OF CLOSELY INTERRELATED INDUSTRIES THAT FORM CLUSTERS

“Regional clusters,” or groups of firms in the same or related industries that are interdependent, have become a basis for regional policy in many parts of the world. Although certainly not a panacea for issues associated with regional development, state of the art programmes and policies involving regional clustering can provide a good way to think about some of the potential collaborative activities across the London-Stansted-Cambridge Corridor.

Several of the major “industries” in the Corridor are not industries at all, but rather groups of closely interrelated industries that form clusters. This is true of the life sciences cluster, the ICT cluster, the creative industry cluster, the aviation cluster, and others. In other words, the facts on the ground argue that the appropriate units of analysis and action in terms of economic development initiatives are clusters rather than industries. This is actually a good thing because a focus on individual industries can lead to protection or subsidies, while this is less likely in a cluster setting because one industry’s protection is another’s higher costs and one industry’s subsidies involve resources that cannot be used for the wider good. Clusters of related industries also will tend to be somewhat more resilient than single isolated industries. In addition, in his own experience, the author has found that clusters are useful groupings to help articulate the private sector demand for public services and investments, particular in terms of education, training, and infrastructure, because they tend to focus on needs that are broader than individual industries, but narrower than the economy as a

whole. Thus they may allow a better matching between public services and investments and the needs of the local economy.

### MOST STATE OF THE ART REGIONAL DEVELOPMENT APPROACHES INCORPORATE CLUSTER INITIATIVES

Finally, many of the approaches found in state of the art cluster initiatives are found in any good regional development initiatives. These include trying to organize the private sector to be able to undertake collective action, to foster collaboration between the public and private sectors, to identify opportunities and reduce bottlenecks in important supply chains, to foster spill-overs from existing industries into new industries, and to use the existing industrial base to help promote inward investment into similar or related sectors. The same type of community and brand-building mentioned above also tends to be found in successful cluster-based initiatives.

This does not mean that the Consortium, or interest groups within the corridor, need to engage explicitly in cluster building or to call any of its efforts cluster initiatives. It does mean, however, that there are now decades of experience with these types of programmes that might prove valuable for the activities that Corridor stakeholders chooses to undertake going forward.

## THE ROLE OF REGIONAL ORGANIZATIONS

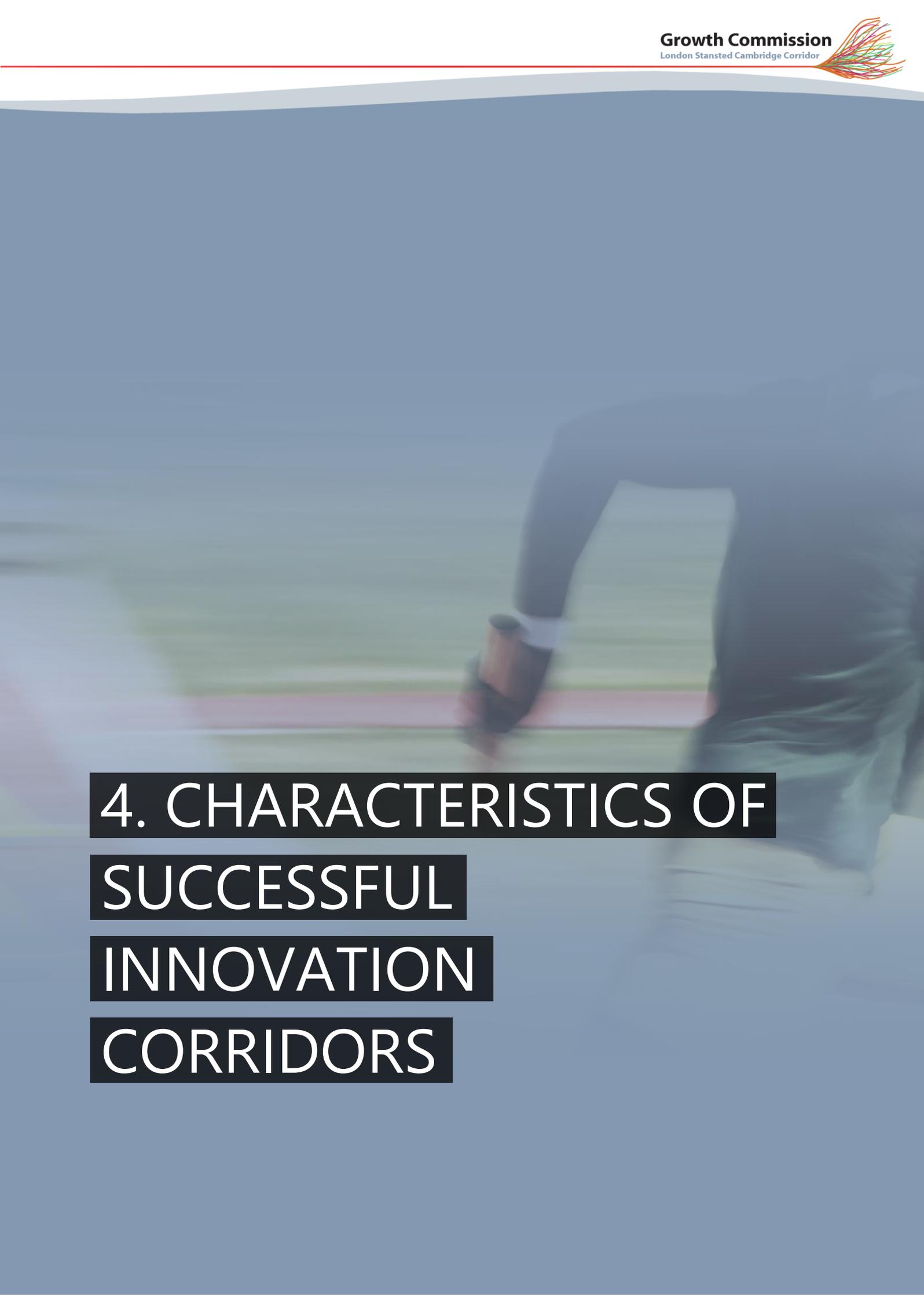
### REGIONAL ORGANIZATIONS CAN PLAY A CRUCIAL ROLE IN LOCAL DEVELOPMENT

There is a wide range of such organizations around the world. In the Boston-Cambridge-Route 128 / 495 area, the Massachusetts High Tech Council is a membership body that consists mostly of private sector companies though it also includes state and local development agencies, universities, and



others. The group is largely private sector-driven and undertakes advocacy in areas such as costs, talent, government relations, SME support, and related areas. Joint Venture Silicon Valley is a similar group, with a membership dominated by the private sector, but which also includes state and local development agencies, universities, and others. Its initiatives focus on economic development, climate change, transportation, communication, business competitiveness, and related issues.

The Medicon Valley Alliance is a membership organization for the Life Science cluster that runs across parts of Denmark and Sweden. Its membership includes life sciences companies, business service providers, public organizations, and support structure providers. The Research Triangle Regional Partnership is a business-driven, public-private partnership that develops regional economic strategies, promotes economic and employment growth, and provides a wide range of services to local businesses. For cluster-related organizations, the EU has set up a secretariat for cluster analysis that benchmarks cluster organizations in terms of their management. In the US, public-private groups are often set up by the private sector. In Europe (to oversimplify) the tendency is for such organizations to be set up by the public sector. In either case, sufficient continuity and a focus on the needs of the local economy and businesses operating in the region appear to be necessary for sustained success.

A blurred photograph of a person in a dark suit running on a track, overlaid with a semi-transparent blue filter. The person is in a starting crouch, leaning forward with their hands on the ground.

# 4. CHARACTERISTICS OF SUCCESSFUL INNOVATION CORRIDORS

## INTRODUCTION

There are a number of characteristics of successful innovation corridors that the author has seen or worked with over the years.

### THE “ELEVEN CS” OF SUCCESSFUL INNOVATION CORRIDORS

The “Eleven Cs” of successful innovation corridors are: competitiveness, comprehensiveness, complementarity, connectivity, communication, collaboration, context, constituencies, communities, cosmopolitan outlook, and concentration.

## COMPETITIVENESS

The world economy is becoming a tougher and tougher place. Many if not most major economies are trying to export their way out of the current doldrums, which means more locations chasing limited markets (at least for now) more aggressively than before. In such an environment, enhancing competitiveness through improving productivity (by performing the same activities in the same ways only more efficiently, doing the same activities in new ways, or doing different activities that return more per worker or unit of invested capital) is vital to success.

In the short-term, that means identifying and removing immediate obstacles to progress and attracting or developing businesses that can use the existing resources and capabilities of the region. In the medium-term, that means enhancing local resources and capabilities and attracting new ones. In the longer-run, that means shifting much higher up the knowledge-innovation-creative economy ladder.

## COMPREHENSIVENESS

### COMPETITIVENESS IS A THRESHOLD AND CANNOT BE ACHIEVED INCREMENTALLY OR PARTIALLY

It turns out that competitiveness is not additive. A location does not get a few points for this and a few points for that. Competitiveness is threshold. Significant shortcomings in any key attribute can kill local industries and economies. This means that enhancing competitiveness is a *comprehensive* undertaking. There is no single, magic-bullet that can be used to foster regional development.

## COMPLEMENTARITY

### DYNAMIC REGIONS ARE THOSE IN WHICH DIFFERENT PARTS PLAY COMPLEMENTARY ROLES

In order to succeed, the different parts of a region should be complementary. No single part of the region can or should do everything. Dynamic regions are those in which different parts play complementary roles. One part might be a leading city that connects the region to the rest of the world. Other parts might provide advanced research capabilities. Others may provide high-quality industrial space. Some parts of the region might provide residential communities that suitable for mobile professionals and their families to live. And others might provide amenities that make the region attractive to individuals and corporations.

The individual locations in successful innovation regions can be viewed as a bundle of resources and attributes whose complementarities make them more than the sum of the parts. Successful innovation regions also have a range of complementary capabilities. Innovative products and services today often involve bundles of complementary technologies and knowledge bases. It is the presence of complementary



capabilities and knowledge bases that allows successful corridors to innovate and adapt.

## CONNECTIVITY

### CONNECTIVITY IS ABSOLUTELY VITAL TO SUCCESSFUL INNOVATION CORRIDORS

This means connectivity within the corridor, between the corridor and the rest of the country, and between the corridor and the rest of the world. This means excellent transportation within the corridor and between the corridor and outside. It also means state of the art telecommunication and ICT infrastructure to facilitate electronic connectivity. It also means psychic connectivity. Again, this implies close interaction within the corridor and the ability to connect with people in other parts of the nation and world. The latter implies sufficient understanding and empathy with those inside and outside the corridor.

## COMMUNICATION

### COMMUNICATION IS THE LIFE-BLOOD OF THE INNOVATION PROCESS

Communication is vital to innovation corridors. Information and communication is the life-blood of the innovation process. Corridors can experience huge gains just by increasing communication with other people in the corridor. It is often the unplanned interaction that drives the innovation process. By definition, this only occurs when people interact for some other initial purpose, or when they are in information and communication loops that allow ideas to be combined with other ideas.

## COLLABORATION

### SUCCESSFUL INNOVATION CORRIDORS TEND TO HAVE HIGH LEVELS OF COLLABORATION

This can be collaboration between business, government, and universities or research institutes (the “triple helix” as described by the Swedish innovation agency Vinnova). It can also be collaboration among firms, particularly small and medium-sized firms collaborating to overcome the disadvantages of small scale in areas such as marketing, logistics, and other activities through joint efforts. It also can mean collaboration among different local governments or between local and central governments to solve local problems and to provide local services and investments.

## CONTEXT

### WE FIND THAT CORRIDORS CAN LEARN A LOT OF THE “WHAT” FROM OTHER PLACES, BUT THAT THE LOCAL CONTEXT TENDS TO DETERMINE THE “HOW”

Each economic corridor has its own distinctive context. That means that lessons from other places with different local contexts must be applied with care. It also means that each corridor might have its own mechanism and implementation path to solve problems and to execute initiatives. In general, we find that corridors can learn a lot of the “what” from other places, but that the local context tends to determine the “how.” In nations where the regions and localities are relatively weak in terms of budgetary and decision making firepower, local authorities have less ability to act on their own to solve local issues, and instead must enlist others to a greater extent to enable local solutions.



## CONSTITUENCIES

**A KEY QUESTION ALWAYS IS WHICH CONSTITUENCIES HAVE TO BE ON-BOARD IN ORDER FOR POSITIVE ACTION TO TAKE PLACE**

Each corridor has its own range of constituencies, including the public sector, the private sector, educational and other institutions, and other supporting entities. A key question always is which constituencies have to be on-board in order for positive action to take place. This is a matter of both which entities can affect positive change and which can stop it. Local governments and local populations have to be on-board and their interests cannot be overlooked. Local business has to be a major player for regional development efforts to be successful and sustainable. Central governments will also have to be on-board in order to participate positively and in order not to quash local initiatives.

## COMMUNITIES

**SUCCESSFUL INNOVATION CORRIDORS HAVE A SENSE OF COMMUNITY AND HIGH LEVELS OF SOCIAL CAPITAL**

Successful innovation corridors have a sense of community. They tend to have high levels of social capital. They tend to think of the whole corridor or the relevant region as part of a community. People in successful innovation regions tend to think of “us and us” when considering other parts of their region, rather than “us and them.” This also requires a sense of identity. In the Greater Pearl River Delta region, for example, the notion of an integrated economic region began to take off only after a common name and common vocabulary in discussing the region was put in place.

## COSMOPOLITAN OUTLOOK

**SUCCESSFUL INNOVATION CORRIDORS HAVE A COSMOPOLITAN OUTLOOK – THEY ARE PLUGGED INTO NATIONAL, INTERNATIONAL, AND GLOBAL FLOWS OF KNOWLEDGE, IDEAS, CAPITAL, AND PEOPLE**

While successful innovation corridors tend to have a strong sense of internal community, this does not mean they are closed off from the rest of the world. Successful innovation corridors have a cosmopolitan outlook. They are plugged into national, international, and global flows of knowledge, ideas, capital, and people. This allows them to understand external markets and competitors, to connect to and serve external customers, and to incorporate good ideas from the rest of the world.

## CONCENTRATION

Finally, successful regional innovation corridors tend to be able to concentrate on a limited number of key objectives at a time. This is often facilitated by the existence of a regional organization of some sort that brings together the public sector, private sector, and supporting institutions and entities in order to identify and address pressing issues.





# 5. LESSONS FOR THE LONDON-STANSTED- CAMBRIDGE CORRIDOR

## INTRODUCTION

In the light of the preceding discussions and conclusions on what makes successful corridor economies and innovation corridors, this chapter includes some observations on the Corridor and ideas to help push the work of the Growth Commission forward.

## CONSTITUENTS AND STAKEHOLDERS

The London-Stansted-Cambridge Corridor (“the Corridor”) has many potential constituents and interested parties. While identifying them is straightforward, doing so at the outset, and identifying what their potential involvement and role is in the process, is critical to setting up and carrying out the work that will be necessary to maximize the impact of the London-Stansted-Cambridge Corridor Consortium (“the Consortium”). It also helps to focus the steps that might be taken to further the aims of the Corridor and Consortium.

### LOCAL RESIDENTS

#### THE GOAL OF THE CONSORTIUM IS TO IMPROVE THE LIVES OF PRESENT AND FUTURE RESIDENTS IN THE CORRIDOR

Local residents are a key constituency for any initiative by the Consortium. The goal of the Consortium is to improve the lives of present and future residents in the Corridor. This could be through enhanced and sustainable economic development, improved housing, improved infrastructure, greater employment opportunities, more funding for local services, and greater involvement of business in local communities. In order for the local authorities to continue to support the Consortium, some benefits will need to flow to local residents, and must be seen to do so.

Local residents are also key targets for identity building efforts.

It will be much easier to develop a common agenda for the Consortium and for the Consortium to speak with authority to Westminster, Brussels, and to prospective investors if the Corridor region develops a sense of “us and us” rather than “us and them” when it comes to other parts of the Corridor.

### LOCAL AUTHORITIES

#### LOCAL AUTHORITIES ARE PRIME MOVERS AT PRESENT IN THE CONSORTIUM

Local Authorities have a range of priorities, with economic development, employment, quality of life, housing, infrastructure, education, and provision of social services all of high importance. Local authorities see the bottlenecks and obstacles to progress (however defined) on a daily basis, but often do not have the decision making authority or budgetary firepower to move forward individually on items of importance. It is hoped that through collective action and communication based on well-documented research and analysis that the local authorities together can accomplish things they could never accomplish individually. The collective voice of local authorities can be extremely useful in dealing with the Central Government as well as with existing businesses in the region and potential investors.

The Consortium will have to keep the priorities of the local authorities and constantly search for common cause across the local authorities if it is to have a significant impact going forward.



## CENTRAL GOVERNMENT

### CENTRAL GOVERNMENT MAY BE VIEWED AS A FOCAL POINT FOR CONSORTIUM ACTIVITIES

Given the centralization of decision making and budgetary firepower in the UK - the Central Government holds the purse-strings for all but the most minor expenditures. This is very different than in the states in the United States, the Länder in Germany, and similar levels of government in several other European countries. In countries where a central government has the dominant economic policy and budgetary authority and the economic policy making is dominated by macroeconomics (the UK, Australia, and New Zealand are examples that come to mind), the local issues and initiatives necessary for positive development sometimes fall through the cracks.

Thus using the Consortium as a way to generate "voice" at Westminster for the needs of the Corridor seems almost a necessary pre-condition for optimizing the Corridor's development.

### EXISTING BUSINESSES IN THE CORRIDOR

Existing businesses in the Corridor have a clear interest in improving the local climate for business. For some this might mean better transport, for others better housing options. Some businesses may require access to a larger skills base; others may require the development of vibrant clusters in their sectors. Some businesses might require the attraction and retention of key customer industries.

### THERE ARE TWO MAIN TYPES OF BUSINESS THAT ARE OF INTEREST – THE "CUSTOMER BUSINESSES" AND THE "FOUNDATIONAL BUSINESSES"

There are two main types of business that are of interest. One is what we might call "customer businesses" and the other "supporting" or "foundational businesses." "Customer businesses" in this parlance are companies in the relatively footloose industries or activities that could choose to locate in the Corridor or not. They tend to be the types of businesses that many locations try to attract. For the Corridor, this could be life sciences companies, IT hardware companies, software companies, R&D activities for companies in a range of industries, companies in creative industries, and others.

The "supporting" or "foundational businesses" are those that provide (or can provide) an attractive supporting environment for the "customer businesses." These companies include real estate developers, science-tech-business park investors and operators, professional service firms (accountants, lawyers, consultants, advertising, design, architecture, etc.), transportation providers, and others that service and support the customer businesses and their employees.

It is useful to distinguish between these two types of businesses for a number of reasons. One is that the approach to attracting the two types of businesses can be different. Another is that international experience suggests that businesses in the latter category, the "supporting" or "foundational businesses" are often more likely to engage in the activities of groups like the Consortium and that sometimes extra efforts have to be undertaken to get the "customer businesses" involved. Often the "supporting" or "foundational businesses" provide the backbone of business involvement in groups such as the Consortium, but CEOs, or heads of research, or regional heads of large "customer businesses" can provide greater



impact when it comes to dealing with Central Government or with potential investors. It will be vital for both types of businesses to be involved in the activities of the Consortium.

## UNIVERSITIES, RESEARCH INSTITUTES, ANALYSTS, AND ADVISORS

Universities, research institutes, analysts, and advisors provide part of the environment that make a location attractive to businesses and mobile individuals. In addition, they can provide invaluable assistance to groups like the Consortium by providing background research and information, providing expertise in a wide range of disciplines, helping develop and communicate collaborative initiatives, and being part of the execution of initiatives. The Corridor is blessed with some of the finest universities and research institutes in the world, some of which have a history of deep community involvement. It also is home to some of the finest urban and regional development specialists in the world. This is all hugely positive.

### IT IS IMPORTANT THAT THE RESEARCHERS, ANALYSTS, AND ADVISORS ARE SPEAKING WITH BUSINESSES, AND NOT JUST ABOUT BUSINESSES

While these entities and individuals are a major resource for the Corridor and the Consortium, care needs to be taken that they do not dominate the discussions about the Corridor and Consortium. In many places around the world, the analysts and researchers dominate discussions when it is really business people who provide the most effective major insights about what is necessary to drive economic growth and to overcome obstacles to development within the Corridor. It is important that the researchers, analysts, and advisors are speaking with business, and not just about business.

## BUSINESSES NOT YET LOCATED IN THE CORRIDOR

One of the major opportunities for the Consortium and the Corridor is to compile and communicate information about the Corridor. While people certainly will have heard of London and Cambridge, it is not clear that many think about the Corridor as an integrated economic region that can provide the right environment for a wide range of corporate activities. Although places like Silicon Valley, Route 128, and the M4 began to develop before they became well-known, the fact that they became well-known helped attract new businesses, new talent, and new support businesses.

The ability to provide a single contact point for information about the Corridor, and potentially a single contact point to introduce new businesses to the benefits of the Corridor, would greatly enhance the possibility that businesses and entrepreneurs from elsewhere in the UK and outside the UK would choose to locate in the Corridor. Clearly there are some decisions that will need to be made about collaborative activities across the Corridor, and whether an ongoing investment promotion function would reap rewards if conducted collaboratively at this level. If such a function is developed, it is important to understand “what the customers want to buy” as well as “what the sellers want to sell.” A surprising number of investment promotion agencies around the world do not spend sufficient time understanding what companies in the relevant industries or activities are “looking to buy.”



## CORRIDOR DESCRIPTION

### COMPILING INFORMATION THAT ALLOWS FOR AN ACCURATE DESCRIPTION OF THE CORRIDOR AND ITS ATTRIBUTES IS ANOTHER CLEAR AND IMPORTANT STEP

Again, it is useful to think in terms of the different constituents and stakeholders in terms of the type of information that is useful. The description of the Corridor needs to be clear for local authorities, local residents, Central Government, businesses located in the Corridor, and businesses potentially interested in investing in the Corridor.

From our experience, the most useful information to pull together falls into several categories. In terms of the basic facts and figures, this would include:

- The geographic extent of the Corridor and the identity of the jurisdictions the Corridor encompasses, the population and population growth, and the GDP and GDP growth.
- The leading industries in terms of their size and some sense of position within the UK, Europe, and globally.
- A listing of leading employers, leading local and foreign companies, and leading universities and research institutes.
- Maps of the jurisdictions, of major transportation infrastructure (roads, rail, airport), of major population locations, of land usage (including zoning and greenbelt areas), of major businesses and industrial locations, and of major universities and research institutes.
- Profiles of each of the leading jurisdictions (including map with land use), governance structure, population (over last decade), economy (over last decade), income levels

(most recent), major industries (brief description), significant companies, significant science / technology / industrial parks, and significant universities / research institutes.

- Profiles of each of the leading industries or industry clusters (life sciences, electronics, creative industries, aviation and related industries, education, and other). For each leading industry or cluster, it would include size (revenue, employment, etc.), position (within UK, Europe, globally), the geographic distribution of the industry around the Corridor, and leading companies.
- Profiles of leading science / technology / industrial parks, including their location, business profile, list of companies, governance (or ownership), and expansion capability.
- Examples of leading companies (leading indigenous companies, European centres for foreign companies, and UK centres for foreign companies), identifying who they are, what they do, how many do they employ, and what linkages into the Corridor they have.

## BENCHMARKING

### BENCHMARKING CAN SERVE DIFFERENT PURPOSES FOR EACH OF THE MAJOR CONSTITUENTS AND STAKEHOLDERS

The key questions about benchmarking involve for whom and for what purpose the benchmarking is undertaken. Benchmarking can serve different purposes for each of the major constituents and stakeholders. Benchmarking can be used to compare the approximate scale and dynamism of the Corridor versus other regions, to claim importance in order to get attention / investment from Central Government, to provide comparisons that are attractive to potential investors / companies with location decisions to make, to



provide a sense of importance to build up local pride and identity, and to obtain ideas from other places.

For *local authorities*, benchmarks can provide comparisons and insights that help tie the Corridor together, reinforce the notion of gains through collective action, and provide information that can be used to lobby with Central Government, build local identity, encourage businesses in the Corridor into collective activities, attract businesses not yet located in the Corridor, and gain support from other stakeholders.

For *Central Government*, benchmarks can be used to lobby Central Government for attention and investment that is appropriate to help develop the Corridor. This can be done by demonstrating the size and importance of the Corridor versus other regional economies as well as examples of local governments elsewhere with sufficient autonomy to promote development and examples of creative Central Government-local government interaction.

For *local residents*, benchmarking can be used to make comparisons that generate pride, or show how far the Corridor needs to go on some dimensions, or to provide examples of the types of community involvement and initiatives that might foster further development. Benchmarks can also be used to create a spirit of healthy competition or aspiration in the Corridor.

For *existing businesses in the Corridor*, benchmarking can be used to learn about other locations, the strengths and weaknesses that other locations might have, and what businesses might do to contribute to the further development of the Corridor.

For *universities, research institutes, analysts, and advisors*, benchmarks can be used to identify research locations to obtain further information about circumstances and practices that can foster Corridor development, as well as places to seek out

collaboration for sharing experience and making businesses and policy linkages.

For *businesses not yet located in the Corridor*, benchmarking can be used to give businesses a comparison with other locations that they might be considering as a location for key activities, or to compare with locations in which they are already operating in order to give them comfort about the benefits of the Corridor.

To benchmark the Corridor's approximate size and dynamism, one should compare physical size, size and growth of population, GDP and GDP growth, range of businesses, locations of leading companies, and locations of leading universities / research institutes / think tanks / etc. Appropriate benchmarks for this analysis should include the European regions using statistical divisions as close as possible to those reflecting the Corridor and the leading US Metropolitan Statistical Areas. The suggestion is to go down the pecking order in terms of GDP and population size until one reaches a level similar to the Corridor and highlight the ranking of the Corridor and other regions of similar GDPs and populations in Europe and the US (see Eurostat for European statistics and the Bureau of Economic Analysis for US statistics). The benchmarks should also include leading known examples of knowledge-intensive economies, such as Silicon Valley, the Route 128 / 495 corridor, Research Triangle, Medicon Valley, the Munich area, and the Hong Kong-Guangzhou and Shanghai-Suzhou-Wuxi corridors in China.

To claim importance in order to get attention and investment from Central Government, again the "what to compare" would include: physical size, size and growth of population, GDP and GDP growth, range of businesses, locations of leading companies, and the locations of leading universities / research institutes / think tanks. For this, the right benchmarks are UK benchmarks, such as the Greater London Area, the M4 corridor, and the Northern Powerhouse area. The idea would be to



show the relative importance of the Corridor within the UK. Benchmarks for situations in which local government action promotes economic development and / or examples of creative central government-local government interaction could include German Länder, US states, Swiss cantons, Danish regions, Swedish regions, and the Randstad in the Netherlands.

To provide comparisons for potential investors / companies with location decisions to make, again the “what to compare” would include: physical size, size and growth of population, GDP and GDP growth, costs, range of businesses, locations of leading companies, locations of leading universities / research institutes / think tanks, state of the local education system, state of infrastructure, tax regime, housing availability, and industrial support programmes. Potential benchmark areas could include London, the M4 Corridor, the Northern Powerhouse area, Ireland, Scotland, Île de France, the Munich area, the Randstad, Silicon Valley, Route 128, the Research Triangle, amongst others. Note that the assumption here is that potential competition is with “Western” locations rather than global. If global, then potential benchmarking regions could include: Tokyo, Osaka, and Tsukuba in Japan, and Seoul and the Osong Bio Valley in Korea. The Beijing-Tianjin, Hong Kong-Guangzhou, and Shanghai-Suzhou-Wuxi corridors could also be candidates for global benchmarking.

## ISSUES FOR THE GROWTH COMMISSION TO CONSIDER

There are several challenging issues that the Corridor and Consortium face.

### COMPLEX GOVERNANCE

#### A LARGE NUMBER OF LOCAL AUTHORITIES NEED TO BE BROUGHT TOGETHER AND THE APPROACH TO CENTRAL GOVERNMENT BE MADE IN AN APPROPRIATE AND EFFECTIVE MANNER

One crucial fact about the Corridor is its complex governance and jurisdictional fragmentation within the Corridor. This has several ramifications. The first is that a large number of local authorities need to be brought together for there to be a common local position on regional issues. A second is that the fact that most budgetary and decision making power is at the Central Government level, which means that Central Government has to be convinced to act on local issues. Getting the attention, no less resources, necessary from Central Government is always a matter of trade-offs and projecting an appropriate voice at the centre. This is one reason why the Growth Commission and a collaborative approach at the Corridor level is so important to the Corridor’s development.

### NEED FOR WORLD-CLASS INFRASTRUCTURE

World-class corridors need world-class rail and road transportation. It is interesting that even though the travel times in the Corridor are less than the “magic three hours” that facilitates the emergence of integrated economic regions elsewhere, that people in the Corridor generally do not think of themselves as part of an integrated economic region. This may be a question of mind-



set or history rather than modern physical reality. In any case, the road network leading in and out of London is notorious for not being on a par with what one would expect in a major US city, or even several major Chinese cities.

### THE CORRIDOR APPEARS UNDERSERVED BY RAIL AND ROAD WHEN COMPARED TO OTHER DIRECTIONS IN AND OUT OF LONDON

In addition, the Corridor appears underserved by rail and road when compared to other directions in and out of London. This is a problem for the Corridor as well as for London, which would benefit from easier access to its surroundings.

### NEED FOR APPROPRIATE INDUSTRIAL AND RESIDENTIAL SPACES

In order for the Corridor to develop further, it requires sufficient industrial, office, research and development, and residential space. Within each category, there will be needs for some variety in terms of location, facilities, and price points. While this combination might be beyond the ability of a single authority or jurisdiction to solve, a collaborative approach across the Corridor might work better.

### WITH COLLABORATION ACROSS THE CORRIDOR, IT MIGHT BE POSSIBLE FOR JURISDICTIONS TO MAKE TRADE-OFFS AND PLAN IN A MORE INTEGRATED FASHION THAT MIGHT LEAVE ALL BETTER OFF THAN BEFORE

The idea is that there could be a spatial division of industries and activities, with some locations providing specific types of space and premises. In the absence of collaboration within the Corridor,

every jurisdiction will try to compete for the parts of the economy it deems most beneficial and to avoid other activities, leading to a far from optimal outcome. With collaboration across the Corridor, it might be possible for jurisdictions to make trade-offs and plan in a more integrated fashion that might leave all better off than before.

### NEED FOR MULTIPLE TYPES OF SKILLS, EACH WITH ITS OWN CONSTRAINTS

#### THE KIC ECONOMY NEEDS MULTIPLE TYPES OF SKILLS

The KIC economy needs PhD and Master's level researchers, undergraduate level researchers, managers, technicians, machinists, technical workers, professional service providers, manufacturing workers, logistics workers, and workers across a broad range of supporting services. One challenge for the Corridor is to have local education institutions that can provide for all of these skill types. Another will be to provide for housing that is suitable for people with different wages.

Finally, another challenge will be to provide transportation necessary to get people from their residences to places of work and back again.

The constraints may be very different across employment categories. For senior researchers and managers, the constraint might be housing. For technicians, it might be the number of training slots available. For production and service support workers, it might be public transportation. This means that skills have to be viewed in a comprehensive manner for the Corridor.



## BUILDING REGIONAL IDENTITY

### IT WILL BE IMPORTANT TO BUILD A REGIONAL IDENTITY AND BRAND FOR THE CORRIDOR

This will involve finding common interests and building a sense of a shared future. It will involve ways of crossing the cultural, jurisdictional, and industrial boundaries in the Corridor. At present, it appears that while the different parts of the Corridor do not necessarily view the others as the opposition (or “us versus them”), they do not view themselves as “us and us” either. Finding the right name and positioning will be part of building a regional identity, but this should come out of the strategy and positioning of the Corridor, not the other way around.

## DEVELOPING NEW NODES

### A LEGITIMATE QUESTION IS WHAT ARE THE NODES THAT CAN SERVE AS DRIVERS OF DEVELOPMENT BETWEEN LONDON AND CAMBRIDGE

One issue that the Corridor faces is that, other than London and Cambridge, it is not clear if there are any other nodes that can serve as drivers of development along the Corridor. Without several significant centres to drive economic development in the Corridor, it will be difficult to create a continuous, integrated, interactive economic region. While Stansted Airport could provide one such node, the Corridor probably needs two or more significant growth nodes to connect up the region. Otherwise, it could be more like a barbell with limited interaction than a corridor. A question is whether the region’s trajectory and improvements mooted for the region will be sufficient to generate these new growth nodes, and whether the dynamism of London and Cambridge

can be leveraged to create more continuous vitality in the region.

## SPECIFIC AIRPORT-RELATED OPPORTUNITIES

### THE PRESENCE OF STANSTED AIRPORT RIGHT IN THE CENTRE OF THE CORRIDOR IS A SUBSTANTIAL ASSET FOR THE REGION

In addition to providing quick access to a wider range of short and medium-haul destinations, it is also a major employer and has the potential to be an even greater “economic node” along the Corridor. As indicated, this is important because there are only a few potential economic drivers between London and Cambridge at present and unless there are several significant nodes along the Corridor that can provide a more continuous set of economic drivers, it will be difficult to sustain vibrant interaction along the Corridor.

### THE DAYS OF PLACING AIRPORTS FAR AWAY FROM CENTRES OF ECONOMIC ACTIVITY ARE PAST

Stansted Airport has its own dynamic at present, but it, and the region, could significantly benefit from a better understanding of the implications of further passenger growth and airport usage, particularly in terms of associated land use requirements. The days of placing airports far away from centres of economic activity are past. Today, airports are being used increasingly as engines of local economic growth. Examples like Frankfurt, Schiphol, Dubai, and Hongqiao Airport (Shanghai) incorporate office parks, industrial parks, logistics centres, exhibition spaces, and other high-end business activities near or even right inside the airport.

Stansted’s extensive European network could make it a centre for fly-in, fly-out meetings for European organizations, a centre for time-sensitive logistics



and delivery of key components and parts around Europe, a centre for perishable or delicate commodities, a centre for zero finished goods pick-assemble-pack operations, and other similar activities. Should it be able to obtain long-haul flights, particularly in the context of congestion at other London-area airports, the area around Stansted could become attractive as a European headquarters location for major international companies.

While all of these would benefit Stansted, they would also benefit the entire Corridor. Thus upgrading the land use around Stansted and efforts to attract long-haul flights are not just issues for Stansted Airport, they are issues for the Corridor as a whole. Experience with land usage, and airport-related economic development at Heathrow, Gatwick, Schiphol, Frankfurt, Dubai, Hongqiao (Shanghai), and others should be investigated and the lessons applied in and around Stansted to the extent possible.

## WHAT COLLABORATIVE FUNCTIONS MIGHT BE USEFUL ACROSS THE CORRIDOR?

While it is still early days for the Consortium, it is useful to give some consideration to the range of activities that might be carried out collaboratively on an ongoing basis. Presumably information gathering, at least to ensure that the base information on the Corridor and its constituent parts is up to date, would be one activity.

A second could be ongoing lobbying / discussions with Central Government on issues of importance to the Corridor, such as transportation, communication infrastructure, education, research funding, and housing. Perhaps periodic meetings with all of the MPs from Corridor constituencies could be arranged to discuss regional issues.

A third could be ongoing discussions and collaboration among local authorities, with spheres of cooperative efforts deepening and broadening over time.

Another could be working toward “Corridor solutions for Corridor problems” in which local authorities and other stakeholders take on bottlenecks and obstacles that the region faces without involvement of Central Government when and as required. These could be on transportation, skills, local services, zoning and land use.

There could also be a collaborative approach to provide a link into EU projects and programmes on similar issues. The Consortium could also be a link to other regional organizations focused on similar issues.

Another potential area of activity could relate to the marketing of the Corridor for inward investment, with or independently from Central Government agencies. As part of this effort, Corridor stakeholders may choose to collaborate to compile and provide detailed information on the Corridor and its parts down even to the level of keeping a listing of industrial and research places and spaces within the Corridor. Another could be ongoing efforts to create and support a regional identity.

Finally, the Consortium may choose to support corridor-based networks and clusters through networking events, industry or cluster-based information gathering, and helping to identify and deal with the challenges that the major clusters in the region face.

In any case, it will be important that the Growth Commission tackles some important issues early on, to show the potential of the group from the start, but also to identify some “low-hanging fruit,” that might represent “easy wins” that can establish a precedent for successful collaboration and joint action.





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