

32nd IAA SYMPOSIUM ON SPACE POLICY, REGULATIONS AND ECONOMICS (E3)
Space Economics from Apollo to Tomorrow (3)

Author: Mr. Scott Schneider
Australia

GIVE IT ALL OR GIVE ALL TOGETHER: COMPARATIVE CAPABILITIES IN SPACE

Abstract

This presentation addresses two questions; how does a nation state gain the most from its space activities and how must a nation state invest in order to continue gaining the most?

Comparative advantage in large projects is not commonly addressed in the space sector. Trade, or current, accounts are neither considered in discussions of domestic space projects. A comparison of Australia's space environment demonstrates the growing appreciation for capitalising on comparative advantage to better still support domestic industry. In other words, the growth of a nation state's relative productivity and skills enhances the domestic industry by bringing in investment from abroad.

Capitalising and developing natural advantages fosters innovation. Decisions made on purely popular or political grounds only deliver an artificial advantage. An artificial advantage cannot sustain itself, much less prosper, unless the decision has appropriately incorporated the state's comparative advantage in the global space sector.

Instead of domestic investment, states which take advantage of the international flow of capital better develop their own existing advantages, and by doing so better develop their own industries. This in turn leads to new advantages from the ideas and skills spinning off of those existing. Technology and knowledge advances fast in the space sector. This means that a particular comparative advantage may quickly become no longer a natural advantage. However, it is because of the rapid growth of technology and knowledge that domestic space skills will bring about new natural advantages.

National space coordination should not direct these skills, but rather facilitate them. Australia's space policies so fortunately recognise this. Such policies attract international cooperation which allows not only the growth of a nation's own economy but also enhances the benefit of space activities within economies around the globe.