



## **Opening Statement to the Oireachtas Joint Committee on Arts, Heritage, Regional, Rural and Gaeltacht Affairs**

**The Future of Community, Social and Economic Development and  
Co-operation in Border Counties**

**May 2017**

## **1. Introduction**

1.1 Co-operation Ireland is the leading peace-building organisation on the island of Ireland. Established in 1979 as Co-operation North, we have worked for over 35 years to promote interaction, dialogue, and practical collaboration within Northern Ireland and between Northern Ireland and the Republic of Ireland.

Our work is overseen by an independent, voluntary board comprised of key individuals from Northern Ireland, the Republic of Ireland and beyond who have a genuine interest in helping communities to strengthen ties and move beyond the divisive legacy of the conflict. Members include: Christopher Moran (Chairman), John Bruton, Peter Robinson, David Campbell, Sir Jonathan Philips, Jim Clerkin, Ossie Kilkenny, Paula Dobriansky, Trevor Ringland, Pat Doherty, Briedge Gadd, Noreen Wright, Terence Brannigan, Henry Mitchell, James Walsh, Terry Crossan, Daithi O'Ceallaigh, Mary Heaney, and Tom Hartley.

1.2 Our vision is of a peaceful and stable island where people of all backgrounds live and work together for a better future. In pursuit of this vision, we work in partnership with others to sustain peace and help to build a shared and cohesive society. Our role involves developing programmes and initiatives to address emerging challenges to peace, to build relationships, and to facilitate co-operation across the island. We also seek to create a supportive environment for co-operation and peace-building by building capacity among other actors, influencing policy, and developing collaboration at a strategic level<sup>1</sup>.

1.3 Co-operation Ireland has delivered and supported a range of initiatives under the INTERREG and PEACE Programmes to support socio-economic development and peace-building in the border region. This included our work as an Intermediary Funding Body for Measure 3.1 (Social and Community Infrastructure) of the INTERREG IIIA Programme in the period 2000-2006.<sup>2</sup> This paper draws on our knowledge and insights of key challenges facing the border counties and the opportunities and benefits of cross-border approaches in furthering regional development.

1.4 This paper has been prepared as our opening statement to the Oireachtas Joint Committee on Arts, Heritage, Regional, Rural and Gaeltacht Affairs. It sets out a brief overview of the consequences of partition and the Northern Ireland conflict for the border counties, before going on to consider the implications of the UK's pending withdrawal from the European Union for economic, social and community development in the region. It concludes by making some suggestions for how cross-border co-operation in the support of local development can be sustained post-Brexit.

## **2. Border Counties: From Partition to Peace**

2.1 Partition of the island in 1922 had 'direct, immediate and negative effects' on economic and social development in the border counties (Harvey et al, 2005).<sup>3</sup> The imposition of a customs border disrupted trade and commerce, with towns cut off from their natural hinterlands. The region on both sides of the border was peripheral to the centres of government in Dublin and Belfast and became characterised by back to back development, limited investment, and high rates of deprivation and socio-economic disadvantage.

2.2 The negative impacts of the border were heightened during the Northern Ireland conflict. The southern border counties were directly affected by the violence, with paramilitary activities and the militarisation of the border leading to a climate of fear and suspicion. The closure of border roads disrupted daily life in cross-border communities and led to a fracturing of social relationships. Community relations in the region were strained, with minority communities on both sides of the border feeling isolated and under threat.

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<sup>1</sup> See [www.cooperationireland.org](http://www.cooperationireland.org) for further information on our work.

<sup>2</sup> Co-operation Ireland administered over €10m of funding for cross-border projects under Measure 3.1 which aimed to create a sustainable cross-border community infrastructure focused on social and economic development, to strengthen cross-border networks, and to develop cross border competency in public services.

<sup>3</sup> Harvey et al, 2005. The Emerald Curtain: The Social Impact of the Irish Border. Carrickmacross: Triskele Community Training and Development.

- 2.3 Over the past three decades the ending of the conflict and the process of European integration helped to mitigate some of the most damaging impacts of the border and facilitated the economic and social development of the region. The removal of customs and regulatory barriers as a result of the creation of the EU Single Market helped to revive cross-border trade.<sup>4</sup> The dismantling of military structures and opening up of border roads allowed people to move freely throughout the region again. EU funding, in particular under the INTERREG and PEACE Programmes, provided investment in infrastructure and supported new initiatives to support economic, social and community development.
- 2.4 Cross-border engagement and co-operation has been at the core of this process of renewal in the border counties. Flagship initiatives have included providing cancer treatment services on a cross-border basis in the North West, promoting sustainable tourism by reopening the Ulster Canal and creating a cross-border Geopark, and developing strategic co-operation among local authorities in the region, including, for example, the North West Gateway Initiative. PEACE and INTERREG funded projects have helped to restore cross-border links at community level, address conflict legacies, and foster social development. For example, Measure 3.1 of the INTERREG IIIA Programme (2000-2006) supported a range of initiatives including the creation of cross-border networks in the voluntary sector, the development of new community and social services, and the building of community capacity. However, the potential for cross-border co-operation to support progress and development in the region is now overshadowed by the UK's pending withdrawal from the European Union.

### **3. Implications of Brexit for Development of the Border Counties**

- 3.1 The form and content of the post-Brexit relationship between the UK and the European Union is unknowable at this time. Encouragingly, both parties to the negotiation have recognised the unique circumstances on the island of Ireland. In their opening positions, both the UK and EU commit to protecting the peace process and share the aim of avoiding the return of a hard border. However, based on the stated negotiation objectives of the UK government, the risk remains that the withdrawal process will have significant negative implications for economic, social, and community development in the border region.
- 3.2 The cross-border dimension is central to the growth and sustainability of local economies in the border region, with many local businesses trading and operating on both sides of the border.<sup>5</sup> However, the UK's intention to withdraw from the Single Market and, in particular, to pursue its own trade agreements outside the EU (necessitating withdrawal from the Customs Union, at least in its current form) risk the reintroduction of significant barriers to cross-border trade. Even if the imposition of tariffs can be avoided, the return of customs controls would impose an additional bureaucratic burden on firms trading across the border. For example, the need to comply with Rules of Origin procedures and delays at custom checkpoints would have a direct cost on traders and damage competitiveness. In the longer-term, any divergence between UK and EU standards and regulations would reduce access to cross-border markets, particularly for smaller firms.
- 3.3 Many firms operating across the border have integrated supply chains, sourcing inputs in one jurisdiction for processing in the other. The viability of such arrangements will be undermined by any restrictions on cross-border movement of goods. The agriculture sector in the region is particularly exposed, with the milk and meat-processing industries closely integrated on a cross-border basis.<sup>6</sup> More broadly, concerns have also been raised by logistics firms about the transiting of goods through the border region, with many key routes crossing the border several times. What arrangements will be put in place for goods

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<sup>4</sup> For example, total cross-border trade in manufactured goods increased from 1645m in 1995 to 3071m in 2014 (down from a pre-Crash high of 3799m in 2007). Source: [http://www.intertradeireland.com/researchandpublications/trade-statistics/total\\_cross\\_border\\_trade/](http://www.intertradeireland.com/researchandpublications/trade-statistics/total_cross_border_trade/)

<sup>5</sup> For example, 34% of firms in Derry City & Strabane Council area and 38% of firms in Donegal trade cross-border, compared to 25% of firms on the island as a whole (Derry City & Strabane Council and Donegal County Council, 2017. Initial Analysis of the Challenges and Opportunities of the Brexit)

<sup>6</sup> An estimated 600m litres of milk are exported from Northern Ireland to the Republic for processing each year, approximately 25% of the North's total milk output. See [http://www.telegraph.co.uk/business/2017/03/04/ireland-forgotten-frontier-brexit/?WT.mc\\_id=tmq\\_share\\_em](http://www.telegraph.co.uk/business/2017/03/04/ireland-forgotten-frontier-brexit/?WT.mc_id=tmq_share_em) [Accessed 10.03.17]

transiting across the border from one destination in the Republic to another? This would have particular implications for access to the North West.

- 3.4 Community and social development in the border region will be severely impacted by any restrictions on freedom of cross-border movement. While both the UK and Irish governments are committed to retention of the Common Travel Area, it is uncertain what changes, if any, will be made to current rights to travel to and work, study, and reside in the other jurisdiction. Even if current rights are maintained, any border controls will greatly disrupt everyday life in the region. While figures vary, an estimated 23,000 to 30,000 commuters cross the border each day for work<sup>7</sup> and many thousands more regularly travel between both jurisdictions for shopping, cultural and social reasons.
- 3.5 Barriers to movement would also undermine the potential of cross-border co-operation in improving access to health and social services across the region. Joined-up approaches across the border hold out the promise of providing more efficient and viable services in sparsely populated areas by widening catchment areas. While much work remains to be done in this area, initiatives such as the cross-border radiotherapy unit at Altnagelvin Hospital and the range of services delivered by CAWT (Co-operation and Working Together) demonstrate the feasibility of cross-border service provision. The potential to access services on the other side of the border also contributes to the sustainability of rural communities in the region.
- 3.6 One of the successes of the peace process has been the extent to which the border had become largely irrelevant to everyday life. However, the UK's withdrawal from the European Union will make the border visible again, with unpredictable consequences for political attitudes and identities in the region. A renewed focus on the border risks polarising Nationalist and Unionist communities and damaging slowly improving relations. While the risks should not be overstated, the recreation of a physical border control infrastructure could become a target for paramilitaries opposed to the peace process. The return of customs may also increase incentives for smuggling, leading to greater presence of paramilitaries and criminal gangs in the region.

#### **4. Cross-border co-operation after Brexit**

- 4.1 Given its tangible benefits, cross-border co-operation in the border region will continue after Brexit. However, the ending of the UK's membership of the European Union risks creating new barriers and disincentives to collaboration. These include:
  - Cross-border co-operation has been greatly reliant on funding support from EU programmes, including, in particular, PEACE and INTERREG.<sup>8</sup> Post-Brexit, the continued eligibility of Northern Ireland partners to access EU funding is in doubt.
  - Cross-border co-operation has been 'normalised' and detached from political debate by locating it within the wider narrative of European integration and collaboration. The extent to which collaboration has become broadly acceptable across the political spectrum has been one of the quiet success stories of the peace process. However, by removing the common context provided by the European Union, there is a risk that cross-border working will once again become politicised. In particular, Unionist concerns over the direction of travel of cross-border initiatives are likely to be heightened by the renewed prominence of arguments for reunification in public debate.
  - Over the longer-term, divergence in policy and regulations between the UK and the EU may create unforeseen barriers and disincentives to co-operation. In many areas of collaboration, the existence of common EU standards has proved an important enabling factor. For example, the joint staffing of cross-border initiatives could be complicated by divergence in employment law.

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<sup>7</sup> O'Kane, Anne Marie, 2016. The Referendum on UK Membership of the EU: Freedom of Movement of People. Border People Briefing Paper, Centre of Cross Border Studies.

<sup>8</sup> The European Regional Development Fund contributes €229m to the current PEACE IV Programme (2014-2020) and €240m to INTERREG VA (2014-2020).

## 5. Conclusion and Recommendations

- 5.1 Cross-border co-operation, as it developed through the process of European integration and ending of the conflict, played a key role in helping to address some of the most damaging aspects of partition in the border region. While all parties to the Brexit negotiations wish to minimise disruption on the island, the fear remains that unintended consequences of the withdrawal process could potentially lead to the re-imposition of a hard border which will hinder economic, community and social development in the border counties and risk rewinding much of the progress of recent decades.

We make the following recommendations to help address some of the risks identified above.

- 5.2 The Irish government should seek agreement from the European Union and UK for a mechanism to allow Northern Ireland continued access to EU funding programmes for territorial co-operation. If this does not prove possible, equivalent funding for peace building and cross-border co-operation should be provided by the Irish and UK governments. It is critical that any UK contribution is additional to the Northern Ireland block grant.
- 5.3 As formal cross-border linkages are potentially weakened post-Brexit, spaces for informal relationship building and dialogue will become more important. Co-operation Ireland already provides opportunities for North-South engagement and collaboration in specific sectors through initiatives such as the Local Authority Forum (local government), Pride of Place (community groups), and NSUPEP (teachers and educationalists).

Spaces such as these will need to be expanded to enable cross-sectoral conversations among stakeholders from across the border region, and across the island, about emerging impacts of Brexit and to provide a forum for problem-solving. The Government's All-Island Civic Dialogue could provide a useful starting point for further development.

- 5.4 There is much we can learn from practical experiences and models of cross-border collaboration between EU members and neighbouring non-members in other regions of Europe. For example, regions of Norway<sup>9</sup> and Switzerland<sup>10</sup> enjoy extensive collaboration with their EU neighbours, including in areas such as health care, rural development, and cross-border transport. The establishment of working groups as part of the Civic Dialogue might provide a useful vehicle for identifying and transposing relevant learning.

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<sup>9</sup> For example, Norway and Finland have concluded formal agreements for cross-border collaboration in the provision of health care in the Teno River Valley region.

<sup>10</sup> A number of Swiss cantons are members of the Tri-national Metropolitan Region of the Upper Rhine. This is one of the most developed cross-border territories in Europe, with collaboration around research, renewable energy, transport, and SME development.