



Meeting with the Joint Committee on Rural and Community Development

12 December 2018

“Supporting communities and sustaining small rural business within the border region after Brexit”

Statement by the Centre for Cross Border Studies

On behalf of the Centre for Cross Border Studies, I would like to thank the Chair and members of this Committee for the invitation to meet with you on the subject of supporting communities and sustaining small rural business within the border region after Brexit.

1. Introduction: About the Centre for Cross Border Studies

1.1 Since its creation in 1999, the Centre for Cross Border Studies (CCBS) has pursued its central mission of contributing to the increased social, economic and territorial cohesion of the island of Ireland. It achieves this by promoting and improving the quality of cross-border cooperation between (a) public bodies, and (b) between public bodies, business and civil society. Complementing this strategy, CCBS also works to improve the capacity of people involved in social and economic development to engage in mutually beneficial cross-border cooperation. Finally, it addresses information gaps and other barriers that constrain cross-border mobility and cross-border cooperation through research, provision of resources, tools and other support. Throughout its existence, therefore, CCBS has been deeply concerned with community, social and economic development and cooperation in the border counties.¹

1.2 CCBS’s pursuit of its mission has been framed by two primary public policy imperatives: the commitment to cross-border and North-South cooperation integral to Strand II of the 1998 Belfast/Good Friday Agreement, and the European Union’s Cohesion Policy with its focus on social, economic and territorial cohesion, and supported by the EU’s Territorial Cooperation and Structural Funds programmes.

1.3 In light of the significant potential impacts on cross-border and wider North-South cooperation, CCBS has for some time now been devoting much of its energies and expertise to considering the

¹ For more information on the Centre for Cross Border Studies, see <http://crossborder.ie/>.

United Kingdom's departure from the European Union, and to engaging with relevant political representatives and decision-makers on the island of Ireland, Great Britain and in the European Commission to raise our concerns and suggest potential means of mitigating any adverse effects.²

2. The Brexit stakes for communities and businesses in the border region

2.1. Even as we rapidly approach the date on which the United Kingdom will officially leave the European Union, it is still unclear as to what the scale and nature of the impact will be on border communities and businesses. This is because the political context in Westminster does not guarantee that the UK will not leave the EU without an agreement which, in the view of the Centre for Cross Border Studies, would have the most adverse impacts on socio-economic relations within and between these islands, on the operability of the Good Friday Agreement in all its parts, and on the nature of the UK's borders – including the border on the island of Ireland.³ It is for these reasons that after the publication of the draft Withdrawal Agreement the Centre for Cross Border Studies, in line with many others, stated that “no deal” must not be an option.

2.2 What is at stake here is not only the *economic* future of communities and small rural businesses in the border region which, in many cases, already have to deal with exceptionally low rates of urbanization relative to the rest of the island of Ireland, limiting the number of towns available to facilitate economic development, and contributing to low levels of employment in technical and professional occupations.⁴ **What is also at risk if not properly mitigated for is social cohesion within the border region after Brexit**, particularly if relevant policy and community development initiatives on either side of the border are undertaken back-to-back, thereby failing to grasp opportunities for cross-border cooperation.

2.3 The gravity of the economic threat to border counties was underlined by the Department of Finance's 2016 analysis of sectoral exposure to Brexit, which noted that “In terms of regional impacts, the most exposed manufacturing sectors have a comparatively large share of employment outside of Dublin”, and that “The highest share of total employment in the exposed sectors in a particular region is found in the Border Region”.⁵ Arguably, and in the event agreement is reached between the UK and the EU, the Protocol on Ireland/Northern Ireland – if it were to become operational in the absence of the conclusion of a UK-EU free trade agreement – may mitigate *some* of the exposure faced by businesses in the border region.

² CCBS evidence to Parliamentary Committees can be found at <http://crossborder.ie/category/research-and-policy/policy/consultation-responses/>, while CCBS Briefing Papers on various aspects of Brexit can be accessed at <http://crossborder.ie/category/research-and-policy/policy/briefings/>.

³ See “Centre for Cross Border Studies Statement on draft Agreement on the withdrawal of the United Kingdom from the European Union” (20 November 2018), <http://crossborder.ie/site2015/wp-content/uploads/2018/11/CCBS-Statement-on-draft-EU-Withdrawal-Agreement-of-14-November-2018.pdf>.

⁴ Stephen Roper, “Cross-border and local cooperation on the island of Ireland: An economic perspective”, Mapping Frontiers, Plotting Pathways Working Paper No. 7 (2006), <https://www.qub.ac.uk/research-centres/CentreforInternationalBordersResearch/Publications/WorkingPapers/MappingFrontiersworkingpapers/Fileupload,175403,en.pdf> [last accessed 15/03/2017].

⁵ Department of Finance, *UK EU Exit – An Exposure Analysis of Sectors of the Irish Economy* (October 2016), p.vi, http://www.budget.gov.ie/Budgets/2017/Documents/An_Exposure_Analysis_of_Sectors_of_the_Irish_Economy%20_final.pdf [last accessed 15/03/2017].

2.4 Currently, through EU funding programmes such as PEACE, INTERREG and LEADER, businesses and communities in the border region can avail of support to engage in mutually beneficial cross-border cooperation initiatives. The benefits of these programmes have not simply been in terms of economic development or the provision of vital cross-border infrastructure, but also their contribution to supporting cross-border cooperation as part of the ongoing peace and reconciliation process on the island of Ireland. They have given life to the formal structures created under Strand 2 of the Good Friday Agreement, encouraging the establishment of multi-level cross-border networks where partnerships between public bodies, local authorities, civil society organisations and others on either side of the border have brought about positive change.

3. Beyond Brexit

3.1 Brexit will not alter the fact that the United Kingdom will remain a co-guarantor, along with Ireland, of the 1998 Good Friday Agreement. This means that, in terms of maintaining the conditions for North-South cooperation that will assist in supporting communities and small rural businesses in the border region post-Brexit, the UK Government must not shirk that responsibility to a non-operational Northern Ireland Assembly or Executive, and that it develops policies that encourage and fund local authorities and others in Northern Ireland to engage in cross-border cooperation with their counterparts across the border. This is to satisfy not only the letter, but also the spirit of Strand 2 of the 1998 Agreement.

3.2 Therefore, to ensure that North-South and cross-border cooperation measures can continue to be applied post-Brexit to support communities and small rural businesses in the border region, the UK Government must allay concerns raised by its apparent disregard of the fact that the Northern Ireland Executive has not been functioning for some considerable time, including in its recent Technical Explanatory Note on the North-South cooperation mapping exercise. Here, in reference to Article 13 of the Protocol on Ireland/Northern Ireland in the draft Withdrawal Agreement, the UK Government states that “arrangements for North-South cooperation remain a matter for the Northern Ireland Executive and the Government of Ireland to determine”.⁶ It is essential the UK Government fully assumes that, in the absence of a functioning Northern Ireland Assembly and Executive, arrangements for North-South cooperation become a matter for the UK Government alongside the Irish Government. They cannot be left in abeyance due to political stalemate in Northern Ireland.

3.3 Proper development of relevant post-Brexit policies and related funding by the UK Government should, for instance, provide the necessary supports for local authorities and others in Northern Ireland to avail of the opportunities for North-South cooperation presented by Ireland’s National Development Plan 2018-2027, which would address the needs of communities and rural businesses in the border region. To this end, it is essential that the UK Government’s proposed UK Shared Prosperity Fund, designed to replace EU Structural Funds, should encompass Northern Ireland’s

⁶ HM Government, “Technical Explanatory Note: North-South Cooperation Mapping Exercise” (7 December 2018), paragraph 5, https://www.gov.uk/government/publications/technical-explanatory-note-north-south-cooperation-mapping-exercise?utm_source=49a11224-ccef-4e30-9659-fc9e6cef2e14&utm_medium=email&utm_campaign=govuk-notifications&utm_content=immediate [last accessed 09/12/2018].

need to engage in cross-border and North-South cooperation. As it is currently framed, this is not the case.⁷

3.4 To fully support communities and small rural businesses in the border region post-Brexit, it is essential that EU funding for North-South and cross-border cooperation is secured for the next programming period. We note the reference in the preamble to the Protocol on Ireland/Northern Ireland in the draft Withdrawal Agreement to “the Union and the United Kingdom’s commitments to the North-South PEACE and INTERREG funding programmes under the current multi-annual financial framework and to the maintaining of the current funding proportions for the future programme [emphasis added]”. **However, we are concerned that although the European Commission’s Fact Sheet on the Protocol on Ireland/Northern Ireland refers to the “continuation of PEACE and INTERREG for Northern Ireland and the border regions of Ireland beyond 2020 under a single programme PEACE PLUS”, the Political Declaration on future UK-EU relations refers simply to the UK and EU’s “shared commitment to delivering a future PEACE PLUS programme to sustain work on reconciliation and a shared future in Northern Ireland”. There is no reference here to the Border Counties of Ireland. Therefore, it is of paramount importance that legal guarantees are given that any future PEACE PLUS programme will encompass the border counties of Ireland, and will be a significant contribution (of at least 15% of any total budget) to cross-border cooperation.**

3.5 Given the potential of the current LEADER programme to support cross-border cooperation activities in relation to rural development, it is also important that a similar support is provided in the post-Brexit context, either as part of any proposed PEACE PLUS programme, or as a discrete programme supportive of rural development as one of the areas of North-South cooperation identified as part of the North-South cooperation mapping exercise.⁸

3.6 The Centre for Cross Border Studies would also suggest that it may be timely to reconsider the establishment of a Border Development Corridor.⁹ As a geographical area that displays significant socio-economic disparities in relation to both jurisdictions, as well as differing levels of economic performance within itself, and also as an area that represents the boundary of strategies developed by two central governments that even when addressing a common issue may not always jointly exploit common synergies, the Border Development Corridor constitutes a potential opportunity to bring a strategic focus capable of supporting the economic fortunes of the populations North and South. The expression of a shared desire to seize that opportunity was contained within the draft

⁷ See the Conservative and Unionist Party, “Forward, Together: Our Plan for a Stronger Britain and a Prosperous Future. The Conservative and Unionist Party Manifesto 2017” (2017), p.35, <https://www.conservatives.com/manifesto> [last accessed 09/12/2018]; and written Ministerial Statement made by James Brokenshire (Secretary of State for Housing, Communities and Local Government), HCWS927 (24 July 2018), <https://www.parliament.uk/business/publications/written-questions-answers-statements/written-statement/Commons/2018-07-24/HCWS927> [last accessed 09/12/2018].

⁸ Rural development is listed as item 15 in Annex A of the North-South Mapping Exercise.

⁹ The Centre for Cross Border Studies was a member of the Irish Border Development Corridor Steering Committee that also included: the Chairman of Louth Economic Forum and Leitrim Recreation Strategy Forum, Mr. Padraic White, the East Border Region, the North West Region Cross Border Group, the Irish Central Area Border Network, InterTradeIreland, IBEC, Donegal County Council, Newry & Mourne District Council (prior to 1 April 2015), Cavan County Council, the International Centre for Local and Regional Development, as well as Mr. Colin Stutt, Mr. Michael Curran, and Mr. Andy Pollak (independent consultants).

Solidarity Charter for the Economic Revitalisation of the Irish Border Development Corridor, first published in 2014.¹⁰

Conclusion

These are only some of the very headline issues in relation to supporting communities and small rural businesses in the border region following the UK's withdrawal from the European Union. Many imponderables still exist due to the unstable political landscape in Westminster, meaning that we cannot be sure of the kind of Brexit we will be left with, or whether we will have any Brexit at all. Whatever the case, I can assure the Committee that the Centre for Cross Border Studies will remain committed to supporting, promoting and advocating for cross-border cooperation as part of the ongoing process of peace and reconciliation, and as a means of providing practical benefits to communities and businesses on both sides of the border.

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¹⁰ "Draft Solidarity Charter for the Economic Revitalisation of the Irish Border Development Corridor", *The Journal of Cross Border Studies in Ireland*, Volume 9 (2014), pp.25-35, <http://www.crossborder.ie/oldsite/wp-content/uploads/journal9-2014.pdf>.