



Presentation to the Joint Committee on Rural and Community Development:

Pamela Arthurs, Chief Executive East Border Region.

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In the first instance might I thank the Chairman and members of the Committee for inviting me here today to discuss

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

Let me first briefly explain my organisation. EBR is a local authority led cross border organisation, 3 Local Authorities in Ireland and 3 in N Ireland, whose mission is to *“promote cross border economic development which benefits the people of the region”*

Formed in 1976 EBR has always worked under the back drop of the European Union. The initial impetus for cooperation came from locally elected politicians on both sides of the border who realized that there would be merit in working together for mutual benefit.

Since the introduction of the EU INTERREG Programme in 1990, EBR has drawn down millions of Euro for a host of projects which have benefitted communities and small rural businesses along the border corridor. Currently EBR is a partner on the INTERREG VA Co Innovate project. Intertrade Ireland leads this large strategic SME project which will complete in 2022. The aim of Co Innovate is to assist 1409 small businesses in the border region and west coast of Scotland. We all know that the border region is dominated by small rural businesses, in particular micro business (10 employees or under) which require this assistance not only to create new jobs but as importantly to sustain existing jobs. There is no doubt that the myriad of EU funded projects which have been drawn down have significantly contributed to the growth of border business over the past 25 years.

Brexit, however, will be a game changer. What Brexit has done already is to highlight many needs which already exist as well as causing problems in the future. Small rural businesses have already been affected. The drastic fall in sterling after the referendum and the ongoing uncertainty around Brexit which has dominated our landscape since the vote in June 2016 is not good for business. Couple this with the lack of a Government in N Ireland and border businesses are certainly suffering.

Whilst the Irish government has put in place measures to support rural business the same opportunities do not exist for businesses in N Ireland.

Local Authority response to Brexit.

Particularly with the absence of a Government in N Ireland Local Authorities along the border felt it necessary to articulate and lobby for the needs of the 1million constituents of the border region.

“Brexit and the Border Corridor on the island of Ireland: Risks, Opportunities and Issues to Consider” was commissioned by the 11 Local Authorities which make up the border corridor. This report clearly identified that the economy of the border region currently lags behind the economies of both Ireland and N Ireland. It also outlines that the border will be most detrimentally affected as a result of Brexit and that regional disparities exist along the border and that areas most reliant on Agriculture will suffer. Also note that some farmers in N Ireland who receive 87% Single Farm Payment are currently better off due to the decline in sterling. Where will this money come from in the future? Some of the groups represented here today responded to a consultation around a Future UK Prosperity fund. Despite our efforts the report hardly recognized the need to fund cross border activity.

Dan O'Brien, Chief Economist IIEA stated at a Brexit event in Dublin on 4th December 2018 that ‘whilst employment growth over all in Ireland is good, employment in the border region has faltered’ since June 2016.

This is a reflection of the damage that Brexit has already done. Business in the region is less confident and more reluctant to expand as the future is so uncertain. Current developments at Westminster have compounded the problem.

What can Local Authorities do?

Local Authorities on both sides of the border have a duty of care to the citizens of the border region. Local elected members in N Ireland are the only political voice at present. Border Local Authorities want to work with both Governments to develop and propose creative solutions for border management post Brexit. Local Authorities have an excellent track record and have been working on a cross border basis for over 40 years in EBR/ICBAN and NW Region. This, despite political problems at a national level.

In order to assist rural communities and business it is essential to address the structural weaknesses in the border region as outlined below. Intervention is needed now.

- Up grading infrastructure, both transport and broadband. This would assist connectivity in the region.
- Ongoing business support measures to assist business prepare for and deal with the impact.
- Focus on relevant skills levels in the region
- A Brexit Transition Programme along the lines of a Territorial Cooperation Programme to assist the border region to adapt to the challenges of Brexit. This needs to be broad based as Brexit will impact every sector.

- Continuation of EU funding Programmes, or alternative funding Programmes to assist the communities. This includes the broad range of funds Horizon 2020, Rural Development, Erasmus etc.

Mitigating risks and/ or taking opportunities will, by necessity, mean defending some of what is currently in place eg funding streams. However, it will also mean that how some things are done will have to change. As the border corridor with its peripheral position already lags behind other regions, the braking of past patterns is necessary. New policy, thinking and new methods of cooperation and partnership between Local Authorities and with central Government will be essential for border management to work in the wake of Brexit.

The success of any future regime for the management of the border will be judged not only on how well it answers the political and economic dilemmas caused to the region by Brexit, but also how far it allows the current level of co dependence which exists across border areas to continue.

In my view any solution must be

‘bottom up, needs based, driven and delivered locally’

Thank you

Pamela Arthurs