

PAPER SUBMITTED BY IRISH GOVERNMENT DELEGATION

Opportunities for increased North-South economic co-operation, including in the EC context

1. The purpose of this paper, against the background of the the steady expansion in North-South economic co-operation, and taking account of the evident will and the opportunities which exist to make significant further progress in this regard, is to put forward for consideration indicative examples of ways in which such co-operation might now be advanced.
2. Economic co-operation between both parts of Ireland, including in the EC context, has been increasing steadily, and in particular over the last two years. Operating at various levels, it embraces formal co-operation between the two Governments and their agencies, including within the framework provided by the Anglo-Irish Conference established in 1985. In recent months, for instance, the Conference has inter alia served as an important forum for advancing co-operation in the field of gas inter-connection; it has put arrangements in place for officials to carry forward the work of promoting North-South trade and business co-operation generally; and it announced, in April, the decision of the two Governments to proceed with the upgrading of the Dublin-Belfast rail link.
3. North-South co-operation is also increasingly centred on joint programmes of action by industry and trade organisations, North and South. Projects and programmes assisted by the International Fund for Ireland have given a particular boost to the process, while the EC Interreg programme, which runs to the end of 1993, provides a new and important structure in which to expand cross-border economic co-operation.

4. In addition, the activities of various professional organisations such as the Institute of Directors and Co-operation North are important in the development of significant all-Ireland projects, as too are those of the universities and the research bodies, and the Chambers of Commerce. Cross-border co-operation between community and voluntary groups on both sides is proving particularly useful, not just in forging economic and social links in the border areas, but also in increasing mutual respect and tolerance. The desire to increase prosperity is an important motivating force in getting people to work and live together. Co-operation is also being pursued at local authority level: the most notable examples being the Derry-Donegal-Strabane-Limavady Grouping, and the East Border Region Committee, comprising Louth and Monaghan County Councils, and Down and Newry and Mourne District Councils.
5. At the macro-economic level, joint meetings between the Northern Ireland Economic Council (NIEC) and the National Economic and Social Council (NESC) have been a regular feature of the activities of the two Councils for over a decade. More recently, a framework of joint research has been initiated between the Economic and Social Research Institute (ESRI) and the Northern Ireland Economic Research Centre (NIERC).
6. At the more informal level, a whole network of ad hoc contacts, involving exchanges of ideas and pooling of information, has evolved between North and South over the years, in both the public and private sectors.
7. Both Governments are of the view, one which is increasingly and actively shared by private sector interests North and South, that economic co-operation between both parts of Ireland can be substantially expanded, to mutual advantage, particularly in the

context of a more integrated Europe. As a practical stimulus to taking matters forward, and reflecting his strong personal commitment to promoting co-operation which will generate prosperity to the benefit of the island as a whole, the Taoiseach published in June a comprehensive study ("Ireland in Europe: A Shared Challenge") in which independent consultants put forward recommendations across a range of sectors. The Irish Government would propose that the wealth of detailed recommendations which the study contains might now serve as a focus for joint debate and analysis between North and South as to how matters might be advanced. The discussions could explore ways in which new co-operative mechanisms and structures might be put in place to facilitate the development of a comprehensive and fully-fledged economic partnership between North and South, including in the European context.

8. The will to move forward has also been expressed clearly on the British side. Most recently, the Northern Ireland Minister for the Economy Mr Robert Atkins, in a speech in Coalisland in July, underlined the clear mutual interest which exists for North and South to exploit the opportunity to increase trade, and generally to strengthen the economic links between the two parts of the island. Welcoming the fact that business people North and South are now showing much greater interest than before in doing business with each other, Minister Atkins referred to the real prospect being opened up of a quantum change in the economic relationships between North and South. The potential in terms of the additional income and jobs which could be created in this way was too great to be ignored.
9. As regards the private sector, the joint CII/CBI(NI) North-South initiative is perhaps the single most striking manifestation of the new will which exists to promote cross-border trade and business development. The

CII for its part has estimated that trade between North and South could at least be trebled from its current level, and that this could lead to the creation of 75,000 new jobs on the island. Studies have revealed that at present manufacturers in the South sell only one-third as much per capita in Northern Ireland as they do in their home market, while their Northern Ireland counterparts sell only one sixth as much per capita in the South as they do in Northern Ireland.

10. The case for the development of Ireland as an "island economy" has also been made by Ulster Bank Chairman, Dr W. G. H. Quigley. Speaking of the possibilities which exist to develop trade along the vertical axis here on this island, Dr Quigley has suggested that both North and South would have signally failed to give substance to the 1992 concept if they neglected or were unable to function as a single market. He made the point that Denmark, with a similar population, achieves sales levels per capita on its home market twice as high as those achieved by the combined efforts of Northern and Southern manufacturers.

11. Any political/administrative structures arrived at as part of the establishment of a new relationship between both parts of Ireland might suitably include a framework and mechanisms which would facilitate the joint assessment and promotion of ways in which North and South can co-operate in furthering their common economic interests. An appropriate forum is needed to work out the areas and sectors in which common and co-ordinated policies and practices might be pursued; to examine ways in which co-operation might be extended or given a more operational dimension; and to consider the further practical cross-border economic linkages which might be undertaken if our enterprises are to reap the benefits and adequately meet the challenges which completion of the Single Market will bring.

12. As regards the EC dimension, it would be to the mutual advantage of North and South (taking advantage of the many shared features and interests of the two economies) to pursue common approaches wherever possible in relation to the development, across the relevant sectoral areas, of Community policies aimed at enabling both parts of Ireland to "catch up" with the more favoured regions. It is, for instance, in the mutual interest of both economies to ensure that a strong European Regional Policy is maintained, and that a substantial further increase in EC Structural Funds is agreed in the discussions on the Delors 11 Package. There is also joint interest in ensuring that Community policies take into account the objective of economic and social cohesion.
13. As indicated above, ideas and proposals on how North-South economic co-operation might be advanced are coming forward from a wealth of different sources, both official and private. Drawing on the comprehensive set of possible ways in which co-operation might be extended, and as a stimulus to deepening the debate and initiating further discussions on all the various possibilities for co-operation which may exist, the remainder of this paper lists a number of indicative examples of areas and sectors in which early and mutually beneficial co-operation might be undertaken.

Structural Funds

- Enhancement of the cross-border elements in the respective Development Plans to be submitted for the 1994-1997 Structural Funds; promotion of complementarity and synergy in the development strategies to underpin the Plans North and South.
- Co-operation on increasing the focus on genuine cross-border projects in the Interreg Programme expected to succeed the present one.

Industry, Trade and Technology

- Development of an all-island strategy, and the promotion of a joint North-South marketing approach, in selected sectors e.g. Aerospace, Electronics/Software, Packaging, Sawmilling/Pulp Mills, Plastics and Toolmaking, Catering food Sector, Nursery Stock/Plants, TV Film Production.
- Building on the existing co-operation between An Bord Tráchtála (ABT) and the IDB, the holding on a significantly enlarged basis of joint all-Ireland promotions of consumer goods abroad, including in prestige stores in the EC/USA: these could focus on fabrics, tableware, food products and crafts.
- Further co-operation in exploiting the considerable potential within the sub-contracting/sub-supply markets.
- Further action in regard to opening up public sector procurement markets.
- Development of the significant opportunities for increased co-operation in Science and Technology, with obvious benefits of economies of scale and a wider pool of experience. Areas with potential for expansion include collaboration in relation to programmes in advanced technologies, and technology audit/company teaching schemes, environmental monitoring, testing and calibration, co-ordination in regard to EC research programmes, and the stepping up generally of contacts between the S&T community on both sides of the border, including through the extensive S&T programme being funded by the International Fund for Ireland.
- Joint examination of major problems limiting the expansion of indigenous industry, and consideration in particular of whether there is scope for an all-Ireland venture capital fund.

Agriculture and Natural Resources

- Development of a common approach to EC policy issues.
- Development of a co-ordinated arrangement for the control of pesticides.

- Continuation of the close liaison and practical co-operation that exists in relation to animal health, in particular, and plant health.
- Continuation of the formal discussion of all rural development matters: these are dealt with under the Steering Committee on Cross-Border Rural Development which meets quarterly under the aegis of the Anglo-Irish Conference.
- Maintenance and expansion where possible of co-operation in relation to research, and agricultural advisory services.

Fisheries

- Expansion of the remit of the Foyle Fisheries Commission to cover the development of aquaculture on the Lough. This would require amending legislation in both jurisdictions. There is also potential for the development of aquaculture/oyster growing in Carlingford Lough.

Forestry

- Forestry has the potential to be significantly developed in the border areas, including the capacity to bring economic activity to the region and to diversify farmers' incomes.

Tourism

Co-operation has focused on the generation of new incremental tourist business, mutually advantageous to North and South. This has given rise to a number of major cross-border projects. Specific areas in which co-operation might now be expanded include:

- Development of a comprehensive uniform tourist accommodation classification system.
- Common training standards and qualifications.
- Continued joint development and marketing of specific products and markets on an all-Ireland basis.

Transport

- North and South have a common interest in ensuring that developments in EC Transport policy make due allowance for the particular difficulties faced by both parts of Ireland in the transport area. These include higher unit costs arising inter alia from our small size, peripherality, island situation, the dispersal of industry and poor infrastructure etc.
- Given the access problems associated with Ireland's peripherality it would seem essential to pursue the matter of co-ordinating port access plans for the island in the interests of maximising efficiency. Investment decisions have not been co-ordinated, and the two parts of Ireland find themselves in competition for ports funding under the EC Operational Programme on Peripherality. It would seem desirable generally for trade routings to be determined by their natural markets.
- As regards the development of the Belfast-Dublin road, it would seem timely for the responsible officials on both sides to meet to review progress in relation to the cross border section of this route.
- As regards Irish road haulage operators, the opportunities offered by the large Single European Market could offer possibilities for the integration of hitherto small and independent transport firms.

Energy

- Following completion of the gas interconnection projects which will link Scotland with both parts of Ireland, an onshore link between the Northern and Southern grids may be a possibility in the late 1990s in order to provide additional security of supply to both networks.
- Expansion of co-operation on geological survey activities, including a joint assessment of the mineral resource potential of the border counties.

Environment

- Development of initiatives on waste disposal (e.g. regional facilities to take in cross-border waste), and re-cycling.
- Joint preparation of water quality management plans for shared river catchments e.g the Blackwater.
- Increased co-operation on environmental awareness/education programmes, and in environmental research.

Health

- Preparation of joint tender documents for the purchase of new equipment (e.g. CAT scanners).
- Continued co-operation in the health promotion area.
- Regular meetings of the joint working group on purchasing and supplies.

Social Welfare

- Monitoring of social welfare policy and administration, including EC developments.
- Combatting cross-border fraud.
- Contacts regarding co-operation with the voluntary sector, including community development programmes.

Education

Third level

- Development of joint courses, research projects and services between (a) RTCs and Colleges/Universities in border regions and (b) on an all-Ireland basis.
- Further development of cross-border chairs in the Universities, particularly in the areas of Enterprise/Business skills.

Post Primary and Primary

- Considerable expansion of the European Studies Project to facilitate involvement of all post-primary schools, and institutional support for links between schools North and

South.

- Joint in-service training for teachers, including to meet special education needs.
- Co-ordinated approach to improvement of teaching of modern languages.
- Assistance from the Department of Education for Irish language teaching in Northern Ireland.

Sport and Youth

- Establishment of an all-Ireland Sports Council, and as an interim measure cross-border representation on Cospóir and the Northern Ireland Sports Council.
- Development of high-cost sporting facilities on a complementary basis.
- Establishment of an all-Ireland Youth Council, linked to a major expansion of North-South youth exchange programmes.

Labour/Human Resources

- Cross-border initiatives in the equality area in the field of vocational training and employment.
- Co-ordinated approach on aspects of migration affecting both parts of Ireland.
- Co-operation/joint ventures in matters of occupational health and safety.
- Increased co-operation in the training area, including between CERT, the State Tourism Training Agency and the new Tourism and Training Council.
- Continued liaison between the Labour Relations Agency and the Labour Relations Commission; and the exchange of information on the development and administration of labour protective legislation.

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