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CHIEF EXECUTIVES FORUM - INSIDE THE EUROPEAN UNION

A EUROPE OF OPPORTUNITIES

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Mr. Chairman,

I am always delighted to receive an invitation to come to Northern Ireland. I am particularly glad, however, to have been able to accept this invitation, as it gives me an opportunity to follow up remarks made on my last visit to the Forum. On that occasion I put particular emphasis on the need for Northern Ireland to look outwards and to take advantage of the opportunities which the Single Market was about to open up.

Today I notice, with considerable pleasure, the theme of the Conference - "Northern Ireland is in Europe". There is now no doubt that it is within the European Union that Northern Ireland's interests should principally be directed, though not exclusively so. Some years ago I had the privilege to open the Commission's Representation here. The theme we tried to introduce was of "Europe in Northern Ireland". It may have been a concept slightly ahead of its time, but the essential message then, and the theme of today's Conference, are complementary.

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Northern Ireland has received the fullest attention, in the financial sense of the term, from the Structural Funds available to it as a result of the United Kingdom's membership of the European Union. I suggest, however, that the time has come for a closer look at the importance of the relationship between European policy and the deployment of its funds in its various regions which are intended to enhance the objectives of those policies. This has not always been close to the hearts or the minds of the people of Northern Ireland. Rather, the tendency has been to look upon the European Union as the proverbial crock of gold and to measure its effects in financial terms alone.

The rapidly evolving circumstances, principally of a political kind, within this region of Europe necessitate, in my opinion, an urgent re-examination of the extent to which existing European Union policy can be put to work by Northern Ireland people in the interest of Northern Ireland in its external relationships. I do not mean simply within the United Kingdom or with the Republic, but to the possible links in the many Regions within the European Union in different Member States whose geographical similarities and social and economic characteristics are similar.

Encouraging channels of access to non-traditional parts of the continent are beginning to open and may, depending on the political will and the underlying sense of urgency, or lack of it, bring forth a rich diversity of opportunity in the long term. As a member of the Commission's Task Force on Northern Ireland - a precursor of the Delors' Package - I look forward to measures being initiated through the new Community initiative, providing an essential bridge of psychological and material support for new Northern Ireland initiatives emanating from the spirit of reconciliation which they are intended to stimulate.

Even in the early 1980s there was open discussion of the similarities and common interests of a number of important economic sectors in the North and South. Agriculture, tourism, electricity, transportation networks and many important infrastructure projects have a common denominator in the island as a whole, and easily relate to policy-making at the European level.

Although not immediately obvious in London, it is a remarkable fact that in spite of the lack of informed debate on Europe or even a rounded understanding of many of its policies on the part of many Members of the House of Commons, Regional and Local Authorities and their representatives, principally in England, have been busily forging links between their own regions and those in other countries of the Union.

It has been a source of surprise and pleasure to me and my colleagues to note the extent to which such authorities, led by their Councillors, have been busily forging new links between Regions of Britain and those of other EU countries, and even beyond, in countries likely to join the Union in the near future.

The most visible aspect of this fairly recent development is the plethora of regional offices establishing themselves in Brussels itself. This, however, is only the tip of the iceberg. The real core of the new networks are the close working relationships that are being cemented with other regions in non traditional areas of access, not just through Brussels but directly. These new relationships are being formed as a result of a recognition of each others' strengths and relative disadvantages - in other words a sense of commonality in geographical, economic and social, and sometimes even political, terms.

Is it possible, I wonder, for Northern Ireland to ride this new wave of optimism,

whilst at the same time keeping a close eye on new developments as the Union enlarges to encompass even more countries? Quite soon some countries at least will form economic and monetary union with a single currency - these could include the Republic of Ireland and, the way things are moving in Britain, it is a distinct possibility that some time may elapse before the United Kingdom feels that it can join the rest. I would have thought that this places Northern Ireland in a position of some considerable discomfort. Then on the more positive front, developments of trans-european networks in transport, energy and communications are already at the stage of implementation, with Northern Ireland in the forefront of these developments. Now is the time to plan how to exploit them and this can only be enhanced by an extension of your linkages with other regions in other Member States.

In addition, the entrance of more countries, most of whom are likely to be net beneficiaries from the Union budget and to be in need of extra help, will mean a change in the financial perspective too. Some policies will need to be reformed even further. The common agricultural policy is a prime candidate. Both parts of Ireland will face similar if not the same challenges. How will these be properly represented at the European level? The structural funds will also require some degree of attention. Both parts of Ireland are Objective I regions, both will be affected, with the South confronting the need to conserve its Cohesion Fund status. Politically speaking, no one really believes that the European Union's coffers will be replenished substantially between now and 1999, when the current structural fund arrangements are due to come to an end and be replaced by others.

The pattern is bound to change. The Central European countries need financial support for modernising their infrastructure. The funds will not stop flowing,

but the tide may begin to ebb. I wonder:- Have Agencies in this region begun to examine the possible consequences of that, and to formulate a strategy for maintaining the relative advantage, which as an Objective I region, you now possess over most of the remainder of the United Kingdom? - the exceptions being Merseyside and the Highlands and Islands of Scotland.

Strong inflows of funds from Brussels to the new countries and their regions will become inevitable. This means that the level of modernisation so far achieved in the United Kingdom by Structural Fund inflows can still be capitalised upon by embarking upon a new concept of inter-regional cooperation in common action on a commercial basis. This is already beginning to take shape in a number of local authority areas in Britain, although not much work has yet been done on the likely magnitude of this change in direction. Indeed, a policy of looking outwards and taking advantage of funds which have already been received must be a hall-mark for future development of European initiatives from regional and local levels in all Member States.

All these elements have profound implications for Northern Ireland in its linkages with other regions both inside, and immediately outside, the Union. For the North to take advantage of all this in a practical way, I believe it is necessary for decision-takers to develop a new approach, not necessarily a conventional one. Historic tradition has dictated close attention to trends and developments firstly in Great Britain, secondly in the Republic and thirdly but only infrequently, to other parts of the world - namely, Canada, South Africa, the United States of America. Yet the countries of mainland Europe have always seemed that much more distant. This old perception is undergoing a process of rapid change. Even on the linguistic front the predominant francophone pattern is giving way to a greater use of the English language, especially by the

Scandinavian countries.

It is against this background that I wish to aim the remainder of my remarks at those engaged in the practical application of policies and programmes.

It may be useful to draw attention to the Northern Arc, a body seeking to represent northern regional interests in Europe, stretching from Ireland through Northern England, Denmark, North Germany, Poland and the Baltics. The Arc encompasses regions with different social and economic characteristics embracing Objectives I, II and Va areas, as well as a number of successful local economies.

The constituent parts of the Northern Arc share common problems, and common goals. All are peripheral to the main markets of Europe; they share a long history of trade interrupted in some cases by cold-war difficulties. All suffer from inadequate east-west transport infrastructure for the movement of goods; but have a keenness to collaborate for mutual benefit, in the hope that by acting together, alternative routes into the main European markets can be prised open.

A question: Who in Northern Ireland participates in the Northern Arc? It has progressed beyond the discussion stage to pinpointing specific topics for research and development. Its intention is to develop a strategic framework through initiating a number of collaborative projects involving both the public and private sectors. Seven pilot projects have already been defined and the first phase of actions in this field is expected to cover a 3-year period.

For strategic reasons it is clearly desirable that this Region should participate in the Arc and become deeply involved in its initiatives. It is a timely opportunity

for the development of contacts and participation at conferences in order to influence the debate in your own interest. The pilot projects will cover transportation, shipping services, regional freight movement, trade development and new forms of cultural and ecological tourism, and the focus, quite naturally, will be on telecommunications. Northern Ireland must be prepared to take a leadership role in those areas focusing on the electronic transfer of information that will underpin and facilitate the freer movement of trade which is envisaged.

While the Northern Arc spans a grouping of regions in separate Member States, regions within the United Kingdom are also on the move. The North of England Assembly, the West Midlands Forum, and to an increasing extent, the planning regions of England, are meeting more regularly than ever to discuss European initiatives and the relative strength of regionalism. They wish to develop networks of contacts in other regions without the inconvenience of moving through capital cities or indeed Brussels. They wish to deal direct. The importance of the role of the Foreign Office's Know-How Fund to English Authorities, such as Lancashire County Council's Lancashire Enterprises, cannot be underestimated. In parallel with the PHARE programme in Brussels, it has been one of the principal stimulants towards the exchange of experience in fund management and project implementation with Regions in central and eastern European countries. I do not know the extent to which Northern Ireland is involved here, but I would be surprised if the IDB could not earn substantial benefit from project participation in the many fields open for consideration.

Much nearer home is another example which I wish to describe in detail and which, by accident of circumstance, also includes parts of this region. An economic twinning arrangement between the Cotes de Legendes in Brittany,

France, and South Hams District Council in South Devon, has recently been initiated. It was a French initiative, based on a visit in 1993 to the South Hams District.

The French delegation consisted of a blend of local politicians, officers and businessmen, people who respectively had the influence or power to authorise expenditure, to take democratic responsibility, to define in detail the range of visits and presentations and to give credibility and identify business potential. This formula was seen as being vital.

The most significant aspect of the exploratory visits which subsequently took place between the regions was their similarity. The congruence of estuaries, farming, food production, small businesses, coastal pollution, tourism potential, and its relationship to urban areas. In South Hams this meant Plymouth in Devon, and in Brittany, the city of Brest. There were, for example, many differences in development. In Finistere the estuaries are underdeveloped, there are no marinas, there is little infrastructure, there is limited access and there is restricted control, compared to South Hams which has extensive marinas, high demand for moorings, strong commercial activity, SSSI designation and rigorous control through harbour authorities. Tourism in Finistere is in its infancy whereas South Hams is a prime destination. South Hams' employment estates and business parks are fully occupied, but on the other side of the Channel there are many sites available but with little demand.

In 1994 the two groupings together made a bid for an exchange of experience contract. They were one of four in the United Kingdom and one of only 29 in the European Union to succeed. This resulted in 58% funding from the European Commission to develop and extend their economic twinning

possibilities with local, county and regional partners.

It will also include partners in Objective I areas from Greece and Spain. But recently the authorities have approved the inclusion of Carlingford Lough, and therefore of Newry and Mourne District Council and Louth County Council in the scheme - a new stepping stone already in place.

According to the Economic Development officer in South Hams Council the most important specific benefits which already flow from this project are as follows:

General:

- (a) South Hams is being seen to be a leader in European initiatives;
- (b) as a result of this synergy and perception, jobs are being created and wealth generated with minimum financing;
- (c) an understanding and appreciation of other practices, procedures and cultures, especially in the field of economic development, is being created;
- (d) the formation and development of strong cordial relationships between business leaders and organisations is leading to trading partnerships.

Specific:

- (e) learning about training operations for fishermen in Brittany that don't exist in the South-West helps to underpin a South Hams programme bid;
- (f) they are finding new markets for local lamb;
- (g) work placements for local personnel are being opened up;
- (h) this is encouraging proximity tourism around Plymouth and Roscoff, near the ferry terminals;
- (i) they are now assisting in the building of Finistere's first marina by

supplying recycled freight tyres filled with polystyrene for floating breakwaters.

This is one example among many and I hope it serves to make the point. The time has come to open up contacts in non traditional areas in other countries of the European Union.

I will conclude by making the following points. Irrespective of how one views developments in Northern Ireland at the present time, there are tremendous challenges ahead and it is only a matter of time before they cease to become optional and become essential. Furthermore there is no doubt that they will depend upon the building of fresh new relationships. This can be done much more easily now that Northern Ireland begins to realise that it really is in Europe. Equally it would be foolish to misunderstand the shift in the focus of interest and activity within the European Union, taking particular consideration of the fact that Germany is reunited and its role on the continent is of crucial importance.

The entry into the Union of countries like Poland, the Czech Republic and others in the Mediterranean, and the deepening that will necessarily go with this, does underline the fact that Northern Ireland needs a wider range of contact points.

One of the major difficulties in the past has been political instability and ineffective political leadership. This underlines the urgency of the need for Northern Irish agencies, both public and private, to take advantage of current circumstances and extend their own contacts without waiting for politicians to agree, though I hope that they can and will agree and quickly.

Again as a relative outsider, I feel that neither support nor particular understanding of detail is likely to emerge from the representatives of Northern Ireland in the House of Commons at Westminster. At the European level, however, the MEPs have always played a constructive role and perhaps that is where one should begin. Equally I feel strongly that the District Councils, which have not exercised much political clout in recent years, must now be brought into play. It is at this level that the kinds of detail I have been mentioning, in the context of South Hams and Finistere, are more fully appreciated and can more easily produce results. I would therefore urge representatives here today to go to considerable trouble to encourage elected leaders in District Councils to develop their understanding of the potential benefits that can arise from these kinds of contacts. They really can pay dividends.

Is it not interesting that without particular stimulation, but by virtue of common economic social and geographical similarities, and the fact that County Louth and Newry and Mourne are both in Objective I areas which Finistere and South Hams are not, that they feel the need to involve Objective I operators around Carlingford Lough in their overall plan of action for added value?

Objective I, of course, represents a certain status at the lower end of the economic prosperity league in the European Union. It does, however, for the same reason, represent an extremely interesting potential contact point for those areas and regions which do not have such status but which, if they collaborate with those who do, can themselves have relative enhancement.

Finally, Chairman, may I suggest that Chief Executives of the agencies represented here today begin to make an analysis of Northern Ireland's

established and possible links with other regions in other Member States in the European Union, if this has not yet been done. Then you should convene a conference here of all such regions. This would help add urgency to the debate over North Ireland's future economic prospects in a changing Region of a changing Kingdom, in a changing Union of Europe.

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