

Co-ordinating North-South Economic and Social Development

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Despite a considerable increase in North-South co-operation over recent years much of that co-operation has been essentially ad hoc. It has lacked overall co-ordination and has not been addressed on a strategic, medium to long-term basis and still suffers the inhibiting effects of the different bureaucratic and fiscal systems that operate on both sides of the border.

The establishment of the North-South Ministerial Council, an essential element of the Good Friday agreement, is intended to achieve such co-ordination across a wide range of important economic and social areas. These areas are listed in the report by the First and Deputy First Ministers presented to the Northern Ireland Assembly on January 18 and subsequently endorsed in treaties between the British and Irish governments. The Council will consist of the ministers from both jurisdictions who are responsible for these areas. They will meet both in plenary and sectoral formats.

Within the Council, economic and social development will be associated with the implementation bodies for Trade Promotion and Business Development, Inland Waterways, EU Programmes, Aquaculture and Marine Matters and with the following areas for enhanced co-operation: agriculture, education, health, transport and tourism. The implementation bodies will be new, joint executive authorities directly answerable to the Council. The areas for enhanced co-operation will be served by existing government departments and agencies.

In practical terms there is hardly any area of economic and social policy on both sides of the border where co-ordination is not likely to be beneficial. In terms of basic infrastructural requirements virtually all major developments in the North have implications south of the border. Major distribution networks, whether in terms of roads, rail, telecommunications and energy

supply, all require cross-border consideration. The North-South Ministerial Council will play an increasingly important role in co-ordinating such infrastructural development and, where appropriate, contribute to the development of links beyond our shores.

Border areas provide the most immediate contexts for important initiatives in many of these respects. The re-integration of local economies in the border regions of Derry and Donegal, of the mid-Ulster region (Fermanagh, South Tyrone, Sligo, Leitrim, Cavan and Monaghan) and of South Armagh, South Down and North Louth will be enormously facilitated. Local authorities in each of these areas are already co-operating in the development of integrated plans that will require support from the North-South Council to ensure their effective implementation. Such plans include the upgrading of roads, of telecommunications, and of energy and water supply. To such infrastructural needs can be added the need to plan and provide hospital and emergency services to ensure that border region communities are served in the most effective and efficient ways possible.

The success of the upgraded Belfast-Dublin rail link is evidence of what can be achieved in terms of public transport. To it will have to be added significant improvements to such major road links as Letterkenny-Derry-Larne, Derry-Omagh-Dublin and Larne-Belfast-Dublin-Rosslare.

Electricity and gas networks provide another important area for co-ordinated development. Northern Ireland Electricity, already privatised, is very anxious to reduce its high tariffs. To do so it is seeking opportunities to expand and develop sales in the South from where stiff competition can be expected to emerge once the generation and supply markets are fully de-regulated. Plans are already being advanced to establish a North-South gas supply drawing on the developing network in Belfast, a link that could be further expanded should the Corrib field prove commercially viable. There is an obvious role for the North-South Council in ensuring that compatible regulatory frameworks exist on both sides of the border to ensure both fair competition as well as a co-ordinated approach to investment.

As with the success of the Belfast-Dublin rail link, the further development of the country's inland waterways also holds out prospects of considerable mutual benefit to both parts of the island. The restored Erne-Shannon waterway is a model which the Council could well emulate by promoting the restoration of the now derelict Ulster Canal and by developing an island-wide, integrated network of inland waterways with huge tourist potential.

With the 'Celtic Tiger' predicted to continue its onward progress markets for northern goods and services will continue to expand, provided that price and quality are right. To take full advantage of these prospects North-South co-operation must be central to a new economic strategy. Already, private enterprises and public authorities have achieved a great deal and have revealed the scope that exists for further co-operation. At present North-South trade figures indicate considerable scope for increase, especially by northern businesses into southern markets, mainly in the small to medium sized sectors. Within the North-South Council a special implementation body dealing with Trade Promotion and Business Development will research, recommend and direct initiatives aimed at encouraging trade throughout the island and abroad.

This body will also develop a co-ordinated training and market research programme to support trade promotion, especially for small and medium sized businesses. It will be essential that this body work very closely with the major interests involved throughout Ireland if it is to have a positive impact. The many initiatives taken to encourage North-South commercial links by organisations such as the Irish Congress of Trade Unions and its Northern Committee, as well as those by the CBI, IBEC and Chamberlink on the employers' and business side, identify these as important interests to be consulted.

In business development the experience of Enterprise Ireland is being closely watched on the northern side in order to determine what lessons can be learnt. Serious weaknesses at management level currently inhibit the considerable scope for development and expansion in many northern enterprises. To these

weaknesses can be added the low levels of research and development across much of the North's industrial base. Long overdue attention is beginning to be paid to the need to establish incubation and innovation units with strong links to university research centres. However, given the high costs involved, the full potential for the commercial exploitation of industrial research will only be realised through closer co-operation between all of Ireland's research institutions. The North-Council will be in a position to play a crucial role in promoting such co-operation.

The implementation body with responsibility for EU Programmes will contribute in highly significant ways to economic development through initiatives such as INTERREG III, LEADER III, EQUAL and any successor to the Peace and Reconciliation programme. The partnership approach to implementing much of the Peace and Reconciliation fund has had a significantly cohesive cross-community effect at local level particularly in border regions where many community based programmes have had important North-South dimensions to them.

The more specific remits of the Aquaculture and Marine Implementation Body will focus on the overall development of Lough Foyle and of Carlingford Lough in terms of their commercial and recreational potential. In each there is considerable scope for development in both respects, especially in terms of tourism related recreational activities.

In tourism the establishment of a publicly owned limited company by Bord Failte and the Northern Ireland Tourist Board subsuming the Overseas Tourist Marketing Initiative (OTMI) will work to ensure fully co-ordinated international marketing initiatives. These will promote tourism in the context of an integrated marketing strategy for the whole island. Tourism is the single northern industry to have been most adversely affected by the violence and instability of the past thirty years. As a result the potential for expansion in the North, estimated to be a least a doubling of present levels, is considerable. Combining with the South, which has enjoyed enormous success over this same period, to market both parts of the island jointly will help realise much

of this potential. Scenic areas such as the Sperrins and the North Derry coast which have tended to lose out to Northern Ireland's traditional tourist spots such as the Giants' Causeway, the Antrim Coast, the Fermanagh Lakes and the Mountains of Mourne will now have greater opportunities to realise their potential.

Agriculture is another area of critical importance for economic development which will be subject to enhanced co-operation by the Council. Agriculture is the largest single industry on the island. In terms of promoting the sale of agricultural produce, the industry in both parts of Ireland will benefit from initiatives by the Trade and Business Development Body. More importantly, in political terms close co-operation is essential if current pressures on the industry, North and South, are to be effectively met. Foremost among these pressures are further CAP reforms and the challenges posed by EU enlargement. A common policy approach by the Council to both these pressures would be of enormous benefit to the industry throughout the country.

Finally, education and training, especially at vocational and professional levels, are areas that will require considerable attention. There have been growing levels of co-operation between the North's Training and Employment Agency and FAS but these have not been matched to the same extent by co-operation in professional occupations. While contacts have been increasing amongst the latter there is a need to develop closer relationships at university and in-service training levels.

The establishment of the North-South Council offers fresh opportunities to build on the enormous goodwill already evident for enhanced co-operation to the mutual benefit of people and their communities in both parts of Ireland. Developing these opportunities will be the most practical contribution possible to bridging and reconciling our traditional differences.