INTRODUCTION

Mr Padraic White

Regional development has fallen down the pecking order of Governmental and political priority in recent years in both jurisdictions on the island of Ireland in the face of the severe economic recession and cutbacks in public spending. To an extent, this was an understandable reaction as the administrations struggled with the intensity of the recession, and the challenge of meeting public finance spending or deficit targets. However, without reasserting the need for positive regional development policies and actions - as one strand of an agenda for a fairer and less divided society - the lack of focus on regional issues can easily become the default position for both Governments. Why? Because regional development requires effort; it requires a proactive approach by Governments and a more joined-up approach by the Departments and agencies of State to specific regions and locations.

The concentration of Foreign Direct Investment (FDI) in the cities of Dublin and Belfast contrasts with the plight of the smaller towns and rural areas where core economic and social institutions - shops, banks and pubs - have closed on an unprecedented scale during the recession. There is a growing public reaction against these trends in the Republic of Ireland (heretofore referred to as 'Ireland') which in turn is forcing a political response. For example, IDA Ireland which has successfully maintained a high national level of FDI during the recession has consistently failed to achieve the modest target of locating 50% of investments in regions outside Dublin and Cork – it achieved only 30% in the most recent year (2013). The Irish Minister for Jobs, Mr. Richard Bruton T.D. has acknowledged these concerns and is exploring initiatives to *"ensure we have a better approach to enterprise development in regional locations"* (Response to Parliamentary Question, 23 January 2014). The plight of the people and economies outside the five main cities in Ireland (Dublin, Cork, Waterford, Limerick, and Galway) was graphically set out in the final report of the Commission for the Economic Development of Rural Areas (CEDRA) which was published in April last. It found that unemployment, emigration of young people, and poverty had hit these areas much worse than the city areas during the recession.

The 'Border Zone' of the District Councils and County Councils along the Irish border comprises about 1million people and represents a special regional development challenge. The zone reflects many of the social and economic characteristics of areas outside city-regions, but their border location presents even further challenges. Geographically, they are "peripheral" in both jurisdictions and, in my opinion, are somewhat "peripheral" in the mindset and preoccupations of the key central Government administrators. In addition, they face more directly the trade and business distortions resulting from movements in currency exchange rates between Sterling and Euro and from tax changes, particularly in VAT and excise duties, by either administration which can swing in business from one jurisdiction to another.

A current example is the imposition of a carbon tax on solid fuel in Ireland in the past year and the absence of such a tax in Northern Ireland; this is severely distorting the solid fuel trade along border areas.

A pioneering analysis of the challenges and opportunities along the Border Zone was contained in the 2012 report, *Cross Border Economic Renewal - Rethinking Regional Policy in Ireland* which was written by Dr John Bradley and Professor Michael Best and published by the Centre for Cross Border Studies (CCBS). They advocated the need for a new development strategy for the border regions because these areas are caught between the conflicting perspectives of national agencies, with a remit that legally obliges them to focus on their own jurisdictions, and of local government administrations in the border areas which do not have the resources to overcome the problems. The authors concluded that

> *"The central organising framework of such a strategy is likely to be a cross-border Border Development Zone the rationale for whose existence stems from the twin disadvantages of peripherality and "border" policy and institutional fault lines that demand a uniquely targeted approach, different from and more serious than challenges facing other peripheral regions of the island".*

I have strongly supported the advancement of the 'Border Development Zone' and am currently Chairman of an interim steering group to advance the concept which includes local authority, regional, and cross-border interests.

The Centre for Cross Border Studies commissioned in 2013, with EU funding support, five action research studies into the institutional and sectoral aspects of a border development zone:

- Overall Border Development Zone strategy and structure;
- SME enterprise with an export potential;
- Tourism and recreation;
- Agriculture, food and fish processing;
- Low Carbon initiatives, energy saving and renewable energy.

The findings of the five studies were presented and discussed at the Annual CCBS/ICLRD Conference in Cavan on 30-31 January 2014. Such was the level of interest in the concept of a Border Development Zone or Corridor that both CCBS and ICLRD, in association with the interim steering group, were tasked with further exploring the potential of this concept over 2014.

Advancing the Border Development Zone concept

Following the recent local elections, there is now an opportunity for the newly elected Councillors in the new District Council and local authorities to take the initiative to promote cross-border economic development and achieve better outcomes for the people in their areas. The reforms to local government in both jurisdictions envisage local authorities being more actively involved in the economic advancement of their areas. There is certainly an opportunity for the local authorities on both sides to press their Governments for greater commitment to the regional development of the border areas.

The 2013 policy document, *The Framework for Co-operation: Spatial Strategies of Northern Ireland & the Republic of Ireland,* by both Governments is explicitly stated to be "a means of co-operation" to address economic challenges in both jurisdictions. It encourages decision-makers in the public sector to take account of the wider impact of their work and to recognise and exploit opportunities - including on a cross-border basis - as and when they arise.

The Border Development Zone concept is one such opportunity. The aforementioned interim steering group is currently finalising a 'Solidarity Charter' or Common Development Agenda which the newly elected local authorities along both sides of the border might support in the interests of the greater economic progress of the border zone. This Charter will be a 'living' document that will evolve with the changing needs of the region. Further information on the Border Development Zone and the emerging Charter/Agenda is available from both the Centre for Cross Border Studies (CCBS) and the ICLRD.

Mr Padraic White is Chairman of the Louth Economic Forum which brings together representatives of the business community, state agencies, Dundalk Institute of Technology and local authorities to advance economic development and job creation in that county. He is chairman of eight SME companies. He has a longstanding interest in job access for the long-term unemployed and is Chairman of the West Belfast and Greater Shankill Employment Services Board. Padraic was Managing Director of the Industrial Development Authority of Ireland (IDA Ireland) in the decade to June 1990 when Ireland endured and then emerged from the last prolonged recession. During his tenure, IDA negotiated the initial location in Ireland of some of today's leading multinationals such as Microsoft, IBM and Intel. He is a native of Kinlough, County Leitrim and is married to Senator Mary White, co-founder of Lir Chocolates.