

Continentially challenged

**Securing Northern Ireland's place
within the European Union**

Robin Wilson

democratic
dialogue

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Contents

Preface	2
Introduction	4
Wrestling with porridge	10
Acting regionally	19
Truthful with the economy	27
A smoother road to Dublin	32
Social modelling	39
Cash questions	46
Uptight citizens	53
Future imperfect	58
Conclusion	68
Recommendations	76

Preface

This, the fifth report from Democratic Dialogue, has its immediate origins in a partnership project run in conjunction with the Institute of European Studies at Queen's University.

This was a residential round-table, with some 50 participants from these islands and the institutions of the European Union, and it took place over two days in Co Antrim in June 1996. DD greatly appreciates the co-operative approach of the institute and in particular the contribution made to the success of this project by its resource centre manager, Catherine Madden.

The breadth of involvement and the sophistication of the speakers generated a discussion of arguably unprecedented quality about Northern Ireland's relationship with the EU, enhanced by a discussion document, *Northern Ireland and the European Union*, then just published by the institute.

This report is, in part, a sequel to that

debate, but it also draws on an earlier round-table on Britain, Ireland and Europe, held at Wilton Park in Sussex last February, and a workshop in Dublin in May, on the theme of Negotiated Economic and Social Governance and European Integration, organised by the National Economic and Social Council.

Though this report has a single author (the director of Democratic Dialogue), it should thus be stressed that this is in fact because it represents a distillation of views—the sources of which, since the DD/IES and Wilton Park round tables were under Chatham House rules to maximise free expression, are often only obliquely indicated. Ultimately, of course, I bear responsibility for the contents.

It seeks to interweave a set of themes, set out in successive chapters, into a tapestry from which one can stand back and survey, from the perspective of Northern Ireland, the vast and complex scene that is the European Union of the 90s.

Because all these themes are indeed deeply entangled, there is an unavoidable degree of overlap between the chapters that follow, but it is to be hoped that a coherent picture thereby emerges of where the region stands in a European context and where it might go. A number of concluding practical recommendations suggest ways in which a range of actors—not just government—can play an active part in this journey.

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We are open to requests to organise discussions around any of the themes or ideas raised in this, or indeed other, reports. Again, the contact number is on the inside cover.

Our next report will explore another emergent theme in Northern Ireland— young people and their political agendas. **DD**

Introduction

During this year, probably at the Amsterdam summit in June, the parameters of the European Union as it faces into the new millennium will be clearly delineated. The republic's presidency in the second half of 1996 highlighted the significant input which Dublin enjoys, along with its European partners, into the deliberations of the Intergovernmental Conference (IGC) charting this course. Indeed, a developed draft treaty was presented by Irish officials to the Dublin summit in December, and the presidency was generally seen as an extremely well-managed affair.

As a region of a member state whose political culture has assumed an increasingly 'Euro-sceptic' air, Northern Ireland has no such influence. True, the European Union is a union of states, not regions. Yet, at minimum, it cannot be assumed that a UK government of such a sceptic hue—and a Labour administration would be by no means Europhile—

best articulates the specific interests of Northern Ireland.

The latter's ill-defined status as a distinct UK region creates a serious disarticulation between the policy community and the political world when it comes to European matters (though not only in these, of course). Thus, the Institute of European Affairs in Dublin produced a mighty policy tome¹ on how the republic should approach the IGC, in expectation of a diligent response within government. Yet the Institute of European Studies at Queen's University could anticipate no such reaction from the UK government to its analogous publication²—regardless of its high quality.

A few years ago, this might have been thought, albeit short-sightedly, a matter of little consequence. 'Europe' was seen as external to Northern Ireland life, remote from daily concerns.³ A cynical, instrumentalist view prevailed: what money is available, and how can we get

it? And it remains strikingly the case that there is neither a direct air link from Belfast to Brussels nor any permanent Northern Ireland media presence in the city.

But such a disengaged stance is increasingly unreal, for several reasons. First of all, the acceleration of European integration in the past decade has itself been a product of dramatic global changes which Northern Ireland ignores at its peril. The establishment of a single market, the succeeding pressures for economic and monetary union, and the looming prospect of enlargement to the post-Communist east all raise massive questions for the region.

Can it stand the heat of this harshly competitive economic climate, or will it be left behind (as its southern neighbour surges)? Will Northern Ireland continue to enjoy the current flow of support from the EU structural funds, and will the Common Agricultural Policy be sustained as is, in the face of the huge demands enlargement will throw up?

Secondly, the ‘internationalisation’ of the Northern Ireland conflict, as evidenced by the 300 million ECU (£240 million) EU Special Support Package agreed in the aftermath of the paramilitary ceasefires, has changed the context of the debate about the political future of the region. Will such international goodwill

endure the recrudescence of violence in 1996, and the apparent inability of the domestic political class to play its part in establishing peace and reconciliation?

Thirdly, the question of the governance of Northern Ireland itself appears to be heading towards an endgame, which could take three forms. It could be checkmate, in which unionism or (more plausibly) nationalism, by some grand *démarche*, definitively outmanoeuvres its opponent.

More likely, however, is a stalemate, in which each side repeats its moves *ad nauseum*. Or could they yet agree an honourable draw, which would allow us to start a new game with new players?

Put together, these three questions boil down to one big one. Is the future of Northern Ireland in Europe to be an introverted, self-obsessed backwater, wallowing in its own ideological swamp—a place where able people want to leave rather than live, unable to survive economically except on a massive drip-feed of external funding? Or is it to be a dynamic, outward-looking, modernising region, marked by collaboration and cohesion, at ease with its external relationships—a symbol of Europe’s values rather than a blot on its surface?

The EU offers no panacea for the future of Northern Ireland. This writer has been guilty in the past of an overblown

view of the potential of Europe to act as a solvent, rather than a salve, for Northern Ireland's 'troubles'.⁴ But the seriousness, and outcome, of debate in the region about its relationship to the EU is not only of intrinsic significance but will also prove a telling indicator of the ability, or otherwise, of Northern Ireland to master its congeries of problems in the years ahead.

If none of the above convinces as to the importance of Northern Ireland's positioning in Europe, including *vis-à-vis* the member state and the island of which it is respectively a part, a three-letter word should suffice: BSE. As unionists in the region came to insist its beef was 'Northern Irish', not 'British'; as the republic put up border-security barriers unprecedented in recent times, against an invasion, not of loyalist terrorists, but of beef from another part of the 'national territory'; as Scotland insisted Northern Ireland could not be treated differently from the rest of the UK; and as Northern Ireland politicians who can not agree on how to secure political autonomy for the region all fruitlessly agreed that it should be freed from the ban on UK beef—something was dawning. That something was that if Europe had not been seen as a 'bread and butter' issue in Northern Ireland, it had certainly become a 'beef and

bone-meal' one.

This report advances no easy resolutions to Northern Ireland's European challenge—simply because there aren't any. 'Europe' is neither a crock of gold for the region, nor a hand-me-down political model; it does not owe Northern Ireland, and still less can provide it with, an economic or political living. The real question is one only the people of Northern Ireland, and their various representatives, can answer.

Can the region grasp the opportunities the evolving Europe offers? Can it find, and articulate, a common autonomous voice? If it can, there are big prizes to be won. None, however, will fall into its lap.

But first, it must understand the 'Europe' with which it must grapple. **DD**

Footnotes

¹ Institute of European Affairs, *1996 Intergovernmental Conference: Issues, Options, Implications*, Dublin 1995

² Institute of European Studies, Queen's University, *Northern Ireland and the European Union*, Belfast, 1996

³ Before the IES publication, the only substantial report on Northern Ireland and the EC/EU was Arthur Aughey, Paul Hainsworth and Martin Trimble, *Northern Ireland in the European Community: An Economic and Political Analysis*, Policy Research Institute, Queen's University Belfast/University of Ulster, 1989.

⁴ Richard Kearney and Robin Wilson, 'Northern Ireland's future as a European region', submis-

sion to the Opsahl Commission on ways forward for Northern Ireland, published in *Irish Review* 15, spring 1994; see the critique by Paul Teague, 'The European Union and the Irish peace process', *Journal of Common Market Studies*, vol 34, no 4, December 1996, pp 549-70, which also applies to Gerard Delanty's well-intentioned 'Northern Ireland in a Europe of regions', *Political Quarterly*, vol 67, no 2, April-June 1996.

Wrestling with porridge

There is no doubting the difficulty in getting to grips with the European debate. Its language is frequently abstruse, often soporific. The 1991 Treaty on European Union,¹ agreed at Maastricht, has been described as “written in an incredibly turgid Euro-speak that defies interpretation”.² Much of the credit immediately accruing to the republic’s

draft of a successor was that it was relatively comprehensible.

This is not simply a matter of a European community of many *different* languages. In reality, it reflects an underlying assumption which endured during the period between the founding Treaty of Rome of 1957 and Maastricht. That assumption was that European integration required only a ‘permissive consensus’ on the part of Europe’s citizens: as long as the technocrats and the political class knew what they were doing, that was good enough.

This led to an incredibly complex architecture, built layer upon layer. By one count, decisions are made in 18 different ways: 11 legislative procedures, two budgetary procedures, three procedures for international agreements and two for appointments of members of EU institutions.³ The Treaty on European Union was the last straw, with its three-‘pillar’ structure and its presentation as a

series of amendments to the preceding treaties—it was thus literally unintelligible to anyone not familiar with the latter.⁴

But none of this is any excuse for the wilful, ostrich-like stance of John Major's Conservative administration in Britain, with a rampantly Eurosceptic mood on the back benches and virulent propaganda in the tabloid press. Indeed, the war-comic style of the *Mirror's* cover before the England-Germany soccer match in Euro '96 betrayed in one go the infantilism, the imperial nostalgia and the anti-Germanism which has bedevilled the European debate in Britain.

Yet this also told another story. Germany may have defeated England, on penalties, in a game which England marginally deserved to win. But the fundamental Eurosceptic error is to place Britain, rather than Germany, at the centre of the European universe, and to assume Britain can, once again, stand alone but eventually prevail in the intergovernmental conference which began in March 1996.

As Paul Gillespie argues, “the most important polarisation in the IGC negotiations is between the German aspiration for a more tightly integrated Union and the British model of a looser, wider one. Germany is becoming Europe's leading power and the agenda-setting role

characteristic of such hegemony may be seen in the flow of ideas for a European integration project that will match its own interests ... That the polarisation should be between a reluctant Britain and an emergent Germany is pregnant with historical meaning for a Britain that is still coming to terms with its own loss of imperial hegemony and going through a crisis of political identity which makes many of its leaders suspicious of German motives.”⁵

Early last summer, before the Euro-football started and only the political version was being played, a senior European Commission official was already bemoaning the “enormous strain” the UK position had placed on negotiations in the IGC on the future of the union. Indeed, it had at that stage prevented serious negotiations getting under way. Yet the stalling tactics could not durably succeed.

The issue is not whether the UK (and so Northern Ireland) should continue to resist integrationist measures in the IGC, or whether it should endorse membership of economic and monetary union (EMU). In reality, the other member states at the IGC will support what Brigid Laffan has described as “partial deepening” of the union.⁶ In reality, EMU will begin on time with a sufficient core of participants; as the chief economist with one of Britain's biggest manufacturers put it, “We really

should assume, in government and in business, that EMU will go ahead.” And so, in reality, the issue is: will the UK attempt, yet again, to stop, Canute-like, European developments which it cannot prevent, only to seek to catch the tide later?

In *Missed Chances*, a remarkably acerbic analysis of 50 years of British failure effectively to engage with the process of European integration, a very senior former UK civil servant and EC ambassador to Washington, Sir Roy Denman, blames this sorry state of affairs in part on the emphasis on the ‘special relationship’ with the us and British ignorance of foreign languages. But he points the finger at the UK’s class system: “Britain never had a serious, house-clearing revolution ... The result has been that Britain has largely become a cosy backwater, a backslapping, 18th-century type oligarchy, its boardrooms stuffed with clapped-out politicians, Foreign Office retreats, and sundry cronies of the Establishment.” He describes the prime minister, John Major, as “a well-meaning nonentity” and says a change of government is an “indispensable minimum” if this dismal record is to be changed.⁷

That view is reciprocated in Bonn. Accusing Britain of “flag-waving”, a senior German official said last October: “We have given up all hope of the UK in the

immediate future.”⁸ Yet a change of British government may well not be enough. As Ian Davidson writes of the British Labour leader, “Mr Blair has not learned to speak ‘good European’. His rhetoric is the old language of defending the national interest, national sovereignty and the balance of power. It simply won’t play in Paris or Bonn.”⁹

From a Northern Ireland point of view, this is not just an issue of political realism. For, within the UK, Northern Ireland has a unique relationship with the EU—it is wholly granted ‘objective-one’ status as a poorish EU region with recognised ‘special’ political circumstances, and shares a landmass with another (increasingly not-so-poor, in aggregate) objective-one region, the republic. In particular, it is a matter of obvious concern to Northern Ireland, again from a purely pragmatic perspective, that north-south disjunctions in relation to the evolving Europe should be minimised.

One could go further. Northern views of southern attitudes to the EU can often be outdatedly cynical. While it is true that the republic has been a substantial net beneficiary of European funds since it joined along with the UK in 1973, it is quite wrong to reduce its Europhilia to a ‘begging-bowl’ mentality. Its experience as a state of a sustained engagement with the EU, the associated debate in national

press and broadcasting, as well as the sophisticated contribution by a number of key intellectuals, have all led to a much more profound discourse in the republic about matters European, from which the north has much to learn.

For all these reasons, the starting point for understanding how Northern Ireland can best exploit developments within the EU is to understand them in their own terms, and then to place Northern Ireland's specific interests in that context—not the other way around. Northern Ireland may not, pragmatically yet again, want to leave the union with Britain—which, after all, delivers a vastly greater redistribution to *its* poorest region than the EU can ever do. But it does need to get out of the shadow of the narrow British debate on Europe, to take on board a broader European perspective, and to engage in the process with the vibrant discussion south of the border.

So where is the European Union going? What is the context in which Northern Ireland must situate itself in the 21st century? The bad news is there isn't a simple answer. The good news is that this means that much is up for grabs, if Northern Ireland can articulate sufficiently shrewd and sophisticated responses.

Since the establishment of the EEC,

two views about the future of Europe have stood in contestation. On one side have been the 'supranationalists', those who believe that the EU is inexorably heading in a federal or quasi-federal direction. This view is often misunderstood in Britain, as implying a 'centralised super-state', whereas in fact the model is federal Germany, with its powerful regional *Länder*, writ large. Ironically, an official from the *Land* of North-Rhine Westphalia has observed that "Britain is really one of the last old-fashioned super-centralised states in the European Union".¹⁰

The supranationalist view has nevertheless seen power gradually leaching from the member states to the European institutions, a process for which so-called 'neo-functionalists' have provided the accompanying theory. The latter have argued that co-operation in any particular area tends to lead to further initiatives, or 'spillovers'—for example, the way establishment of the single European market was seen to require the further step of economic and monetary union for the market to operate fully. The supranationalist perspective says that the future will be quite unlike the past—that at some point the EU's 'federal vocation' will have been essentially realised.

The opposing, 'intergovernmentalist', view regards all this as political toffee—

indeed it places much weight on its so-called ‘realism’. In reality, its advocates have claimed, the ‘F-word’ was removed from the Maastricht treaty, the people of Europe are becoming increasingly restive about the baroque constructions of Brussels technocrats, and national identity cannot be so easily wished away. The EU will remain fundamentally a consortium of nation states, or it will be nothing. The future, in other words, will be a reassuring continuation of the present.

These two perspectives have more in common than their proponents would like to admit. For a start, both make philosophically illegitimate, teleological, claims that existing trends—however analysed—can be projected into the future. Post-1989, enlightenment-based certitudes about the ‘march of progress’ (wherever that is deemed to lead) look increasingly shaky.

Moreover, whether they assume there will be a new country called ‘Europe’ or that existing nation-states will prevail, both approaches think only in terms of the system of modern sovereign states as inaugurated by the 17th-century Treaty of Westphalia. Yet the EU, in as far as it represents a ‘state’ at all, lacks the essential tax-and-spend character of Westphalian states—it spends only 1.3 per cent of European gross domestic product. It is a ‘regulatory’, rather than a

sovereign structure.¹¹

James Anderson argues that the transition to modernity involved the ‘bundling’ of power—dispersed in medieval times among overlapping sovereignties and exercised at different levels—into the sovereign ‘nation state’, underpinned by the modern ideology of nationalism and defined by ‘hard’ borders. Conversely, European integration today is ‘unbundling’ that sovereign power once again.¹² This is bringing a ‘post-modern’ fragmentation of power, decentring of authority and lack of coherence.¹³

This is indeed why the EU is so infuriatingly difficult for European citizens to get a handle on. It is a world, as Marks and McAdams describe it, of “diverse policy networks made up of member state executives, their civil services, national courts and other state agencies, including subnational governments at various levels, interacting with diverse private or semi-public groups and European Union institutions”.¹⁴

In Northern Ireland, however, political perspectives on Europe—again as on so much else—have very little to do with such complex realities and everything to do with how the issue is ‘read’ internally. Thus, nationalists (though not, initially, republicans) have tended to assume Europe is indeed set on a

supranational trajectory, spiriting away the border (true) and detaching Northern Ireland from the rest of its member state (untrue) in the process.¹⁵ Unionists, by contrast, have lined up with the intergovernmentalists—indeed the Ulster Unionists have elected to join Sir James Goldsmith’s faction in the European Parliament¹⁶—in the (illusory) hope that what might be called a ‘Fortress UK’ model will prevail for Northern Ireland.¹⁷

The reality is likely to be more prosaic than either these grandiose hopes or paranoid fears. For what has been characteristic of recent debate on the future of the EU is that a third position has emerged. On the one hand, as Michael O’Neill argues, the supranationalist paradigm, with its “faith in narrow technocratic solutions to what are clearly complicated political problems” missed “the abiding sense of cultural and political differences, and the enduring impact of particularistic historical identities”.¹⁸ On the other, the intergovernmentalist perspective could not come to terms with change: “The notion of a ‘picket fence’ raised around the legitimate prerogatives of statehood against all comers” is increasingly meaningless in an interdependent world.¹⁹ The resonances of these criticisms for unionist and nationalist perspectives in Ireland should need no spelling out.

Rather than anticipating a one-dimensional scenario, whether based on federal institutions or the existing member states, in this view what is emerging is a more complex structure of relationships between regional administrations, ‘nation’ states²⁰ and EU institutions—in Euro-speak it is called ‘multi-level governance’. As Charlie Jeffery explains,

Multi-Level Governance has been presented as an alternative conceptualisation of decision-making in the EU. It is seen as an attempt to drag the preoccupations of European integration away from the long-running, and perhaps somewhat sterile debate between the different variants of the functionalist/supranational and realist/intergovernmental ‘schools’. Despite obvious divergences in assumptions and analysis, these two time-honoured ‘schools’ share an image of the European decision-making process as a political arena whose features are defined by the relative, and uncontested, roles of national vs. supranational institutions.²¹

Supranationalists don’t like multi-level governance: it’s too untidy, compared to their rationalist dreams. Intergovernmentalists don’t like it either: it’s too uncertain—who knows where it might lead? But they both look set to be discomfited—just like advocates of a united Ireland or untrammelled British sovereignty in Northern Ireland. In that sense,

the EU is “well on the way to becoming something new—and that will have major implications for the actors, the processes and the outcomes of policy-making at all levels in Europe: supranational, national and subnational”.²²

Indeed, there is yet another level—the *transnational*—of networking across the union by a range of social actors: “Environmental groups, women’s groups and networks of ‘carers’ and anti-poverty groups serve to reduce the gatekeeper role of national governments and to create horizontal linkages among West European polities. The EU arena of politics can be a source of additional influence for these groups and may aid them in their domestic environments by enhancing their information and giving them access to the strategies of their counterparts in other countries.”²³

Indeed, matters are more complicated still. The supranationalist and inter-governmentalist models of European integration both started from the assumption, whether in terms of the union as a whole or its member states, that the apparatus moved forward together. But it became gradually apparent that a ‘multi-speed’ Europe was emerging, with different member states proceeding at different rates down the integrationist path—for example as to when they joined the ‘Schengen’ group on security matters.

Yet even this does not now grasp the complexity of the matter. For the prospect of enlargement to the east, incorporating highly dissimilar states from the former Communist bloc, and the tensions aroused by the EMU debate imply a union where there is not even agreement as to *where*, never mind at what speed, each state is going in the European project. Hence the recent talk of ‘differentiated integration’—happily translated as ‘flexibility’.

As Michael Keating sums it all up,

the prospects for the future are for a highly differentiated state order in which the traditional categories, unitary state, federation, confederation, sovereignty, separatism, are transcended. There will not be a tidy hierarchical order of continental, national, regional and local authorities. Instead there will be in Europe ... a variable geometry state order.²⁴

This may all be read—like so much else about politics in the 1990s—as very unsettling. Nothing is stable, nothing sure. But it can also be read as opportunity rather than threat. If the future of the EU, and so of Northern Ireland within it, is “neither teleologically induced or fixed”,²⁵ then there is much politically to play for, whether from the standpoint of regions, citizens or social groups. In this much more fluid and

contingent context, new possibilities emerge. As Udo Bullman puts it,

The European Union after Maastricht thus provides the framework for a new and different political order in which authority is scattered and sovereignty shared. In consequence a new type of politics has arisen in which institutions and competencies overlap. New modes of exchange and representation have come into existence which emphasise the role of sub-national political arenas as spheres for action and dialogue.²⁶

In particular, as Marks *et al* argue, multi-level governance implies that ‘subnational actors’—whether interest groups or administrations—can deal directly with their supranational counterparts in Brussels, a scenario the former may find particularly attractive “in response to differences in interest or identity that may exist between the regions they represent and the states of which they are a part”²⁷.

Sounds familiar? **DD**

Footnotes

¹ *Treaty on European Union*, Office for Official Publications of the European Communities, Luxembourg, 1992

² P C Schmitter, ‘Imagining the future of the European polity with the help of new concepts’, in G Marks, F W Scharpf, Schmitter and W Streeck, *Governance in the European Union*, Sage, London, 1996, p122

³ Brigid Laffan, introduction to Laffan ed, *Constitution-building in the European Union*, Institute of European Affairs, Dublin, 1996, pp 10-11

⁴ A useful layperson’s guide to the institutions of the European Union, what they do and the relationships between them, is provided by Kieran Bradley, ‘The union and its institutions’, in Laffan ed, *op cit*, pp 93-123

⁵ Paul Gillespie, ‘Models of integration’, in Laffan ed, *op cit*, p161

⁶ Laffan, conclusion to Laffan ed, *op cit*, p215

⁷ See Ian Davidson’s review of Denman, ‘A long tale of woe’, *Financial Times*, April 17th 1996

⁸ Sarah Helm, ‘German warning over EU expansion’, *Independent*, October 23rd 1996

⁹ Davidson, ‘Showdown time’, *Financial Times*, September 18th 1996

¹⁰ ‘A share of autonomous power for the united peoples’, *Guardian*, January 21st 1995

¹¹ James Caporaso, ‘The European Union and forms of state: Westphalian, regulatory or post-modern?’, *Journal of Common Market Studies*, vol 34, no 1, March 1996

¹² James Anderson, ‘Territorial sovereignty and political identity: national problems, transnational solutions?’, in Brian Graham ed, *In Search of Ireland*, Routledge, forthcoming

¹³ Caporaso, *op cit*, p49

¹⁴ Gary Marks and Doug McAdam, ‘Social movements and the changing structure of political opportunity in the European Union’, *West European Politics*, vol 19, no 2, April 1996

¹⁵ “A divided Ireland makes no sense in a united Europe,” the then taoiseach, Charles Haughey, told a Friends of Fianna Fáil dinner in New York in 1990—‘Haughey in plea for Irish unity in EC’, *Irish Press*, September 29th 1990.

¹⁶ Rachel Donnelly, ‘Ulster Unionists to announce alliance with Goldsmith party’, *Irish Times*, December 23rd 1996

¹⁷ “A curious body calling itself the European Community—no longer the Common Market nor the EEC—is taking onto itself powers which

properly belong to the queen,” the then Ulster Unionist leader, James Molyneux, told a Royal Black Preceptory demonstration in 1992— ‘Molyneux criticises EC on North’, *Irish Times*, July 15th 1992.

¹⁸ Michael O’Neill, *The Politics of European Integration: A Reader*, Routledge, London, 1996, pp 33, 62

¹⁹ *ibid*, p69

²⁰ The inverted commas are inserted to remind that the UK, Spain and Belgium are effectively multi-national states.

²¹ Charlie Jeffery, ‘Regional information offices in Brussels and multi-level governance in the EU’, *Regional and Federal Studies*, vol 6, no 2, summer 1996, p184

²² Schmitter, ‘Examining the present European polity with the help of past theories’, in Marks et al, *op cit*, p14

²³ Laffan, *op cit*, p19

²⁴ Michael Keating, ‘Regional autonomy in the changing state order: a framework of analysis’, *Regional Politics and Policy*, vol 2, no 2, 1992, p60

²⁵ O’Neill, *op cit*, p5

²⁶ Udo Bullman, ‘The politics of the third level’, *Regional and Federal Studies*, vol 6, no 2, summer 1996, p11

²⁷ Marks et al, ‘Competencies, cracks and conflicts, regional mobilisation in the European Union’, in Marks et al, *op cit*, p42

DD

Acting regionally

One hope of supranationalists has been that the widely-acknowledged ‘democratic deficit’ in the EU could be filled by enhancing the powers of the European Parliament. And certainly it is desirable that the parliament should have more powers—that the European Commission and the Council of Ministers should be more accountable to directly elected representatives. The ‘co-decision’ procedure in the Maastricht treaty was a step forward in this regard which the republic’s draft treaty would extend.

Yet the reality is that Europe’s electors are even *less* enamoured of their MEPs than their ‘national’ politicians (which is not saying much about the latter). Turn-out in elections to the EP has been steadily declining since direct elections were initiated in 1979, despite the parliament’s growing profile. As Scharpf explains,

As of now ... the politico-cultural identity of the European Union is still very weak;

the lack of a common identity is a major obstacle to the emergence of a Europe-wide public discourse; and, as a consequence, we have no Europe-wide media, no Europe-wide political parties and no political leaders with Europe-wide visibility and accountability. These conditions are not easily changed by constitutional reforms ...¹

The notion of ‘European identity’ can only bear so much weight. It will not transcend existing national or other conceptions of the self, though there is space for it in a more nuanced sense of the multiple identities individuals can enjoy.² So the democratic deficit will have to be addressed, in addition, at other levels, particularly the ‘sub-national’.

Here, however, significant progress has been made. As Gary Marks *et al* put it, “The 1990s have seen the growth of a new and unheralded form of regional mobilisation in the European Union.”³ Mazey and Richardson have spoken of an

“explosion of lobbying”.⁴ Jones and Keating detect “a common dynamic towards increasing regional self-assertion and a challenging of the decisional monopoly of the nation-state”.⁵

According to Lisbet Hooghe’s figures, in 1985 there were just two offices representing European regions in Brussels; in 1988 there were still only 15, but by 1994 there were around 70, their role “somewhere between an informal ‘embassy’ for their particular region and a lobbying agency”.⁶

The largest offices combine four functions:

- providing the European Commission and Parliament with regional viewpoints,
- surveying the European scene for issues of domestic concern,
- participating in networks with other regions and EU institutions, and
- lobbying for an increased voice in European decision-making.⁷

The Northern Ireland Centre in Europe, established in 1991, attempts to provide such a two-way link between the region and the European institutions. Its mission statement defines its role as “To maximise the benefits for Northern Ireland as a region of the European Union and to promote Northern Ireland’s distinctive contribution.”⁸ Yet clearly much more could be done were it, like the other offices in Brussels, to be representing a

regional administration in Europe, rather than being an admirable private/local-government effort.

But first let’s answer an apparent paradox: when all the talk has been of ‘globalisation’,⁹ how could so much attention have come to be invested in *regions* as units of political economy? Michael Keating:

The impact of global change varies across territories. The fact is that it is at the regional and local levels that the impact of change is felt has helped create new coalitions of territorial defence and increased the political salience of regions. At the same time, it is increasingly recognised that combinations of factors of production in specific places are a vital element in economic growth and change, even within a globalised market. The region has thus become a key level of political dialogue and action, where national, continental and global forces meet local demands and social systems, forcing mutual adaptations and concessions.¹⁰

But such an engagement at regional level depends heavily on political leadership, on what Leonardi and Nanetti call “regional protagonism”—an activist, developmental drive.¹¹ By this, they mean not just an “administrative-managerial” stance but “a creative and pro-active policy approach”.¹² By definition, however, a direct-rule administration in

Belfast can only respond to policy approaches set in London; officials can never themselves go beyond the administrative-managerial role.

Birmingham, with a population a little less than that of Northern Ireland, offers something of a counter-example. The centre of the formerly dour west midlands city has been transformed beyond recognition in recent years by a dynamic, Europe-oriented municipal leadership. One of five founding members of 'Eurocity', an urban pressure group which more than 60 EU cities have now joined, Birmingham was also one of the first British cities to open a Brussels office.

Its 'director of European and international affairs', Gareth Williams, said Brussels was prepared to support regeneration projects not favoured in Whitehall: "Within Britain, Birmingham will always be Birmingham, the second city. In Europe, we take our place quite naturally in the first tier of big, provincial cities. There is a lot we can learn; there is a lot we can teach. It gives us ... a network, and a network which doesn't go through London."¹³

Yet here the UK is falling further and further behind the European post-war trend, away from centralised member-states obsessive about sovereignty. Thus regional government was stipulated in the Italian constitution of 1948, though

it was not implemented for 'ordinary' regions till the 70s. France started regionalising in 1972, though it didn't finish till 1986. The German federal system derives from the 1949 Basic Law. Spain and Belgium have regionalised more recently, in response to growing communal demands. But the UK in the Conservative years has meanwhile gone into centralist retreat.¹⁴ Eight of the 15 EU member states, and most of the big political hitters, now fall into Udo Bullman's categories of 'federal', 'regionalised' or 'devolving unitary'—seven remain as 'classic unitary'.¹⁵ It is thus that it has become commonplace to borrow the phrase 'democratic deficit' from the European context, to describe Northern Ireland under direct rule.

A key objective, as an Irish academic put it, is to pursue an avenue "which lessens the straitjacket of the national". Though communal division makes this far more problematic for Northern Ireland than the example she quoted, Catalonia, she was nevertheless right to point up how the UK represented an "awkward partner" in this regard.

An intriguing point is made in this context by a European Commission official, noting that while the framework document agreed between the London and Dublin governments in February 1995 envisaged a European engagement by the north-south body it proposed,

there was no reference to any such engagement by the recommended northern institution.¹⁶ By contrast, the German *Länder* not only have European policy sections in most of their ministries but also place overall responsibility with a *Land* minister for European affairs.¹⁷

The BSE crisis mercilessly exposed Northern Ireland's limitations in this regard. Agriculture would of course be transferred to any new administration in the region, and it was clear during the tellingly named British 'beef war' that the vast majority of EU governments—notably including the republic—favoured easing the ban on exports from Northern Ireland.

The *Independent* reported in November 1996, however, that government divisions on the issue had held up negotiations with Brussels. An unprecedented five British ministers had ended up attending an EU agriculture ministers meeting in Luxembourg: two of them, Britain's minister of agriculture, Douglas Hogg, and the Scottish secretary, Michael Forsyth, were there to lobby for a UK-wide relaxation of the ban, while Northern Ireland's agriculture minister, Jean Denton, favoured a Northern-Ireland-first approach. Baroness Denton was actually excluded from a bilateral meeting between the UK delegation and

the agriculture commissioner, Franz Fischler.¹⁸

Interestingly, given Northern Ireland's legacy of division, Bullman points out: "The *a priori* existence of regional identity seems in this respect to be overestimated as a precondition for regional success." 'Artificial' Rhône-Alpes has worked; 'traditional' southern Italian regions haven't. Rather, "a modernised political culture is the key". In that context, "Political institutions at the regional level are thus able to mould identity by introducing dialogue and collaboration between social actors and defining common regional interests."

The choice for Northern Ireland is indeed a stark one, well articulated in a discussion of Scotland in Europe by Mazey and Mitchell:

Without some elected body formally articulating the interests and views of a region, the government of the state as a whole will be in a strong position to ensure that its view is taken as that of any region. This, of course, entirely contradicts the notion of regional interests which can be expected to differ on some issues at least with the government at the centre. In the absence of directly elected regional government, an intense debate as to who has the right to speak for the area—whether institutions of central government, the collective voice of local government, or functional interests such

as business and trades unions—is bound to ensue and perhaps dissipate the effort made in lobbying externally.¹⁹

This is not, it should be stressed, to assume a regionalist nirvana for Europe, the flip side of the supranationalist utopia. In the ‘multi-level governance’ Hooghe and others have identified, we are talking not of ‘a Europe of regions’ but of ‘Europe with the regions’.²⁰

Thus, following German *Länder* pressure (and despite Spanish resistance), article 146 of Maastricht allows a member state to be represented by a regional representative at the Council of Ministers.²¹ But only the highly decentralised Belgium, Germany and Austria have exercised this right so far—and their representatives are there to represent the member state, not Flanders or Wallonia or the *Länder*. As Morass stresses, “this does not imply direct subnational representation ... but only creates an opportunity to delegate national government’s rights, while remaining within the logic of member states.”²² The Belgian regions and the *Länder* are similarly entitled to representation on committees of the European Commission in areas where they, rather than their member state, have exclusive responsibility domestically.²³

But didn’t the much-trumpeted principle of ‘subsidiarity’, established in the Maastricht treaty, imply a shift towards

regional empowerment—a way of re-engaging remote Eurocrats with real people on the ground? It is true that article A of the TEU speaks of “an ever closer union among the peoples of Europe, in which decisions are taken as closely as possible to the citizen in accordance with the principle of subsidiarity”. But article 3B makes clear this stops at the nation state: “... In areas which do not fall within its exclusive competence, the Community shall take action, in accordance with the principle of subsidiarity, only if and in so far as the objectives of the proposed action cannot be sufficiently achieved by the Member States ...” In Catholic social teaching subsidiarity means taking decisions at the lowest possible level, and it has indeed been influential in regionalist movements in Europe, but it is

Protestant Britain and Denmark which have given the term its stamp in the contemporary EU debate.²⁴

Nor has the Committee of the Regions, established by the treaty, borne out the hopes of regionalist supporters—partly because of internal tensions between local authority and regional members. Its 222 representatives are appointed by member states, rather than directly elected; its powers are purely advisory, not of co-decision with other EU institutions; and its financial allocation is less than half of 1 per cent of the EU administration budget.²⁵ Those who wished for a Euro-wide equivalent of the German *Bundesrat* (the upper house comprising representatives of the *Länder*) were severely disappointed—“completely unrealistic” was the dismissive comment from the otherwise supportive former commissioner for regional affairs, Bruce Millan.²⁶

The role of the committee is not going to rise above the consultative, where its performance to date has been marked by a lack of focus.²⁷ As William Nicoll puts it starkly, “in the Community of today and tomorrow, the big legislative players are the Council and the Parliament and there is a limit to the inputs that can be expected from elsewhere”.²⁸

One Irish academic bluntly argued that the parliament would see to it—whether formally or via its input to the

budget allocations—that the committee would not be strengthened by the IGC (administrative autonomy from the rather moribund Economic and Social Committee is signalled in the republic’s draft treaty). A Northern Irish official of the parliament concurred. The union was based on “very strict legal-conceptual relationships”, he said.²⁹

And such disappointment will remain. For a major constraint on Euro-regionalism is the sheer diversity in economic capacity, institutional structures, and political, economic and social demands of the various regions in the different member states, leading to a lack of common interest in policy or institutional change. Such diversity can only be exacerbated by enlargement to the east.³⁰

Moreover, regionalism in Europe wears a “dark side” too, as the Irish academic pointed out. If one pressure for increased regional autonomy is the recognition of the potential economic advantages of power to affect ‘supply-side’ interventions, another is the concern of rich regions to detach themselves from their poorer neighbours—witness the Northern League in Italy.

Yet Northern Ireland’s concern must be in which regional league it resides. Nestling at 140th out of 167 regions in GDP per head in a 1991 ranking (it has

probably crawled up a few places in the intervening years), it has a very long way to go.³¹ And there needs to be a profound recognition that, just as in sport, the relative performance of regions at the bottom will tend to deteriorate, not improve, unless strategic and concerted action is taken. Thus Hooghe and Keating argue that, while regions have been able to mobilise effectively in recent years,

What is clear, however, is that the political weight of European regions varies considerably according to their economic importance, their political skills, their administrative infrastructure and their ability to mobilise civil society behind the efforts of regional governments. Moreover, the strategies of regional mobilisation seem to be cumulative ... The result is a polarised Europe of the regions, in which regions in the heartland and, to a lesser extent the more active Spanish regions and some of the UK regions are involved more fully than those in the periphery ...³²

Standing still, in other words, is not an option, in confronting the new political economy of regions. ■■

Footnotes

¹ F W Scharpf, 'Negative and positive integration in the political economy of European welfare states', in G Marks, F W Scharpf, P C Schmitter and W Streeck, *Governance in the European Union*, Sage, London, 1996, pp 26-7

² See chapter eight.

³ G Marks et al, 'Competencies, cracks and conflicts: regional mobilisation in the European Union', in *ibid*, p40

⁴ Sonia Mazey and Jeremy Richardson, *Lobbying in the European Community*, Oxford University Press, Oxford, 1993, p v

⁵ Barry Jones and Michael Keating eds, *The European Union and the Regions*, Clarendon, Oxford, 1995, pp v-vi

⁶ Lisbet Hooghe, 'Subnational mobilisation in the European Union', in Jack Hayward ed, *The Crisis of Representation in Europe*, Frank Cass, London, 1995, p186

⁷ Marks et al, *loc cit*

⁸ Northern Ireland Centre in Europe annual report 1995-96, Belfast and Brussels, 1996

⁹ Anthony Giddens, 'The new context of politics', in *New Thinking for New Times*, DD report 1, 1995, pp 8-23

¹⁰ Michael Keating, 'Europeanism and regionalism', in Jones and Keating, *op cit*, p3

¹¹ Roberto Leonardi and Raffaella Nanetti, *The Regions and European Integration: The Case of Emilia-Romagna*, Pinter, London/New York, 1990, p5

¹² *ibid*, p125

¹³ John Lichfield, 'Brum marches to a happier tune', *Independent*, March 23rd 1996; this upbeat piece in a 'Building Europe' series in the paper was borne out by a visit to the city by this writer in December 1996, his first for several years.

¹⁴ Keating, *op cit*, p4

¹⁵ Udo Bullman, 'The politics of the third level', *Regional and Federal Studies*, vol 6, no 2, summer 1996, p5

¹⁶ Northern Ireland Office, *Frameworks for the Future*, HMSO, Belfast, 1995

¹⁷ Charlie Jeffery, 'Farewell the third level?', *Regional and Federal Studies*, vol 6, no 2, summer 1996, p62

¹⁸ Katherine Butler, 'Ministers crush Ulster's hopes on beef', *Independent*, November 1st 1996

¹⁹ Sonia Mazey and James Mitchell, 'Europe of the regions: territorial interests and European integration: the Scottish experience', in Mazey and Richardson eds, op cit, p118

²⁰ Hooghe, op cit, p178

²¹ Andrew Duff, 'Towards a definition of subsidiarity', in Duff ed, *Subsidiarity Within the European Community*, Federal Trust, London, 1993

²² Michael Morass, 'Austria: the case of a federal newcomer in European Union politics', *Regional and Federal Studies*, vol 6, no 2, summer 1996, p84

²³ Mazey and Mitchell, op cit, p106

²⁴ The different senses of 'subsidiarity' are teased out in A Scott, J Peterson and D Millar, 'Subsidiarity: a "Europe of the regions" v the British constitution?', *Journal of Common Market Studies*, vol 32, no 1, March 1994.

²⁵ Peter Schwaiger, chef de cabinet of the secretary general of the Committee of the Regions, speaking at a conference on the committee organised by the Institute of European Studies at Queen's University, Belfast, in November 1995; the proceedings of this conference have now been published in a special issue of the *Journal of Regional and Federal Studies*, spring 1997

²⁶ speaking at the same conference

²⁷ Martyn Farrow, speaking at the same conference

²⁸ William Nicoll, 'Representing the states', in A Duff, J Pinder and R Pryce eds, *Maastricht and Beyond: Building the European Union*, Routledge, London, 1994, p202

²⁹ A more optimistic reading of the future of the Committee of the Regions is offered by John Loughlin, 'Representing regions in Europe', *Regional and Federal Studies*, vol 6, no 2, summer 1996.

³⁰ Keating, op cit, pp 20-2

³¹ Michael Dunford and Ray Hudson, 'Decentralised models of governance and economic development: lessons from Europe', in Northern

Ireland Economic Council, *Decentralised Government and Economic Performance in Northern Ireland*, occasional paper 7, NIEC, Belfast, 1996, p158

³² Lisbet Hooghe and Michael Keating, 'The politics of European Union regional policy', *Journal of European Public Policy*, vol 1, no 3, 1994, p375

Truthful with the economy

Post-Fordism and ‘flexible specialisation’ are not words that trip off everyone’s lips in Northern Ireland. But, like every other region, Northern Ireland needs to come to terms with the competitive challenges recent changes in the international economic environment signal.

If global financial markets now severely constrain the autonomy of nation-states in macro-economic policy, at the other end of the economic chain, increasingly individuated and demanding consumers are no longer satisfied with the standardised, production-line goods pioneered with Henry Ford’s (‘any colour so long as it’s black’) Model T. Instead, the trend is towards batch production of specialised goods, with ‘just-in-time’ stock inventory techniques and rapid innovation to meet consumer fads.

As the nation-state has retreated somewhat in macro-economic management, regional economic strategies have

come more to the fore. Changing production trends have meanwhile placed a high premium on investment, education and training, application of technology, and research and development. Yet factors like investment and training suffer from what economists call ‘co-ordination failure’: it is in everyone’s interest to invest and to train, since everyone benefits, but not for individuals to make that commitment in isolation, since they may not benefit and/or others might (such as when a firm poaches another firm’s trained labour). Combining these two considerations suggests that those regions which have appropriate institutional structures, pursue co-ordinated economic development strategies, ensure the workforce is well trained and educated, secure high levels of investment, and advance technology transfer and R&D may win out in the competitive struggle.

This was the issue, with Northern Ireland in mind, which the Northern Ireland

Economic Council invited Michael Dunford and Ray Hudson to investigate, in a comparative study of EU regions. Contrary to continuing (and utterly baseless) official triumphalism about the region's workforce, research in the late 80s showed that, as compared with the former West Germany, Northern Ireland had only 45 per cent as many graduates and 49 per cent as many technicians working in manufacturing; the republic, meanwhile had 88 per cent as many graduates and as many technicians as West Germany. The same applies to the region's much-vaunted education system, seedcorn of the future: whereas 62 per cent of German 16-year-olds in 1990-1 reached the equivalent of GCSE grades A-C in mathematics, the national language

and one science, only 22 per cent of Northern Ireland students achieved this modest standard that year.¹

One index of the quality and marketability of goods any economy produces is its expenditure on R&D. Research for the Industrial Research and Technology Unit has shown that in 1993 total civil expenditure on R&D by Northern Ireland businesses amounted to just 0.4 per cent of regional gross domestic product. Only Greece and Portugal, among EU members, spend less.² All in all, as Gerard O'Neill puts it, "Northern Ireland no longer has a sizeable core of indigenous, world-class manufacturers who can confront the challenges of global economic change in the decades ahead."³

These are not ethereal issues. For if firms cannot compete on quality, they must compete on costs, particularly of labour. It is thus no surprise that average (male) full-time earnings in manufacturing in Northern Ireland have been driven down, relative to Great Britain, from 97 per cent in 1981 to 84 per cent in 1995.⁴

Dunford and Hudson's research shows that decentralisation of governance to regions is not in itself enough to guarantee economic success. They point to Saarland in this regard—nearer home, one could point to the dismal record (in this as in all other regards) of the old

Stormont government. In particular, they stress the need to place a premium (clearly not a feature of the latter experience) on “trust, co-operation and social inclusion”.⁵

Nevertheless, they conclude that “the most active regional governments are to be found in the most economically successful regions, and the fact that they can exercise this degree of pro-activity is predicated upon their location within national states characterised by decentralised systems of governance. These involve dense and overlapping networks of institutions, within both the state and civil society, and bridging the boundaries between these two spheres.”⁶

The previous EU regional affairs commissioner, the former Scottish MP Bruce Millan, came to the same conclusion from practical observation. Struck by the growth of “regional assertiveness” after he took up the portfolio in 1989, he believed it was no accident that the strongest economies were those with powerful regional governments—“they provide a focus for initiative and enterprise”.⁷

While stressing there is no simple transferable model, Dunford and Hudson highlight a number of features of successful regions from which Northern Ireland can learn. Prosperous EU regions, they discovered,

- exhibit a high degree of social cohesion

and inclusion;

- achieve co-operative industrial relations, matching flexibility with security;
- enjoy inter-firm co-operation and networking;
- ‘embed’ high-value-added inward investment in the regional economy;
- pursue strategies to foster innovation and technology transfer;
- have enabling institutions of governance, which have ‘learned to learn’;
- maximise the potential of cross-border synergies; and
- manifest a vibrant civil society, to which the state is permeable.⁸

They conclude with a warning for Northern Ireland, that a regionalised Europe could simply become a framework for further divergence between strong and weak regions: “This is especially so in the context of moves towards the single European market and Economic and Monetary Union, which, *ceteris paribus*, will lead to strong regional divergence, with the gap in levels of economic competitiveness and wellbeing between the ‘successful’ and ‘less favoured’ European regions rising sharply.”⁹

In its significant statement on the research it commissioned from Dunford and Hudson, worth quoting at length, the Northern Ireland Economic Council pulled no political punches. Urging a ‘culture of commitment’ throughout the

political, economic and social spectrum in Northern Ireland, it said:

One of the themes to emerge from the case studies is the importance of developing governance and institutional arrangements based on co-operation and trust. These make it easier to develop a strategic and integrated policy approach and they facilitate a shared culture of commitment involving the public and private sectors as well as local authorities and the voluntary and community sector. While it is undoubtedly the case that all of these sectors are showing much increased signs of effort and enthusiasm to resolve economic problems, it is also clear that these efforts are taking place against a backdrop of long-standing and deep division within society. *The vital ingredient of local political leadership has been lacking.* In these circumstances, it is highly questionable whether it is realistically possible to generate the degree of co-operation and trust that are found to be at the core of other more successful parts of Europe. *This places great emphasis on reaching agreement on governance structures for Northern Ireland that will promote successful economic development.*¹⁰

Thus, we are back once more to the debilitating effect of the failure of the major parties in Northern Ireland—especially the Ulster Unionists and the Social Democratic and Labour party—to

develop the politics of common understanding that could alone make such a dynamic regional polity possible. As with the urgent issue of social exclusion, progress is thus subject to generalised political veto.¹¹

But this is not cost-free. In the new European configuration Keating identifies, “Some subnational territories will have considerable scope for autonomous action in the interstices of the national and international order, blurring the distinction between independence and internal autonomy. Others will be reduced to new forms of dependence, on the national state or the international market.”¹² Or, as Hooghe puts it, “In the European reality, regions, *in particular those with elected authorities*, are the core players.”¹³

Such an authority would have, of course, to make an early appointment with Dublin. ■■

Footnotes

¹ Paul Gorecki, figures presented to an Irish Congress of Trades Unions seminar, Armagh, October 1996

² A Gough, ‘Northern Ireland civil expenditure on research and development’, *Economic Outlook and Business Review*, vol 11, no 4, December 1996, pp 13-14

³ Gerard O’Neill, ‘The northern dimension’, in Paul Gillespie ed, *Britain’s European Question: The Issues for Ireland*, Institute for European Affairs, Dublin, 1996, p136.

⁴ Gorecki, op cit

⁵ Michael Dunford and Ray Hudson, 'Decentralised models of governance and economic development: lessons from Europe', in Northern Ireland Economic Council, *Decentralised Government and Economic Performance in Northern Ireland*, occasional paper 7, NIEC, Belfast, 1996, p199

⁶ *ibid*, pp 205-6

⁷ 'Regional focus for the future', *Guardian*, June 25th 1990

⁸ Dunford and Hudson, *Successful European Regions: Northern Ireland Learning from Others*, NIEC research monograph 3, Belfast, 1996, pp 186-98

⁹ *ibid*, pp 198-99

¹⁰ *ibid*, pp xxviii-ix (my emphasis)

¹¹ See Paul Teague and Robin Wilson, 'Towards an inclusive society', in DD report 2, *Social Exclusion, Social Inclusion*, 1995, p96.

¹² Michael Keating, 'Regional autonomy in the changing state order', *Regional Politics and Policy*, vol 2, no 2, 1992, p60

¹³ Lisbet Hooghe, 'Subnational mobilisation in the European Union', in Jack Hayward ed, *The Crisis of Representation in Europe*, Frank Cass, London, 1995, p175 (my emphasis)

A smoother road to Dublin

The future of Northern Ireland as an EU region cannot be discussed without addressing its relationship with the republic. But the republic has two other additional considerations: *its* relationships with Britain and with the wider union. And it is now frequently asserted that the republic's European aspirations may antagonise Britain, widen the economic and/or social gulf on the island of Ireland and so jeopardise its northern policy.¹

Economic and monetary union offers an obvious instance, yet it demonstrates that this real concern may be overestimated. The argument goes like this. Suppose the UK decides not to join the euro-zone in 1999. The republic then faces two challenges. On the one hand, its progressive trade diversion from Britain to the wider Europe in recent decades and the political gains of coming out of the British shadow and joining the European core dictate a judgment to join the

'ins' in the first wave—despite the worries about the potential competitive threats to indigenous industry servicing the British market.² Commitment to a new, north-south relationship would, on the other hand, favour the minimisation of disharmonies between the two jurisdictions.

Yet no one doubts which of these considerations will prevail. And even the greatest enthusiast for north-south integration, on either side of the border, would have to accept the logic of a decision by the republic to join EMU promptly. As the director of a leading City firm pointed out, if the UK stays out in 1999, it will, in practice, have to operate an economic policy essentially similar to that it would pursue if it were in—would this, he asked, remain a credible stance? And a leading British corporate economist said that if the UK was outside the euro-zone, then “the markets will test out sterling very quickly”. This would lead to

exchange rate volatility, an interest rate premium, higher inflation, continuing transaction costs—£30 million per annum going to “greedy bankers”, rather than investment, from his company alone—and lower foreign direct investment.

All in all, a highly unappealing prospect. The commission president, Jacques Santer, obviously agrees with this logic. He told the *Financial Times* in December 1996 that *no* British government could resist the pressure from the City and big business to join the euro-zone.³ In that sense, the republic’s dilemma is, in the longer run, more apparent than real.

It thus has every reason not to follow its UK partner if the latter stays out in the first wave—even if, as the City man pointed out, this would mean the border for a time becoming a microcosm of the boundary EU-wide between ‘ins’ and ‘outs’. That indeed looks the likeliest outcome, as an incoming Labour government would have to decide within weeks to re-join the exchange rate mechanism if it were to meet the requirements of joining the euro-zone on January 1st 1999. Asked about rejoining the ERM, the Labour leader, Tony Blair, told the *Financial Times* in January 1997: “We have no plans to do that.”⁴

It is also true, of course, that a

sustained drift towards ‘flexibility’ in the union could have serious dislocating consequences, were the Irish border to come to represent a major gap in social standards. Thus, there have been recent reports of French firms moving to Britain to avail of lower wage and social costs and a more deregulatory régime. Yet the reality is that Northern Ireland remains a far less attractive investment location than the republic for international capital—partly because of the low corporation tax régime in the south (which some in the EU view as a concealed state aid). And the timidity of the large member states in advancing the social agenda of the EU to date has meant that the impact of the UK’s ‘opt out’ from the Maastricht social chapter has been minimal.

More positively, however, the EU context does help us to get our heads around the theoretical complexities raised by north-south institutions. James Anderson points to the much less propitious circumstances of earlier attempts at such institutional construction. In 1920, when a Council of Ireland was envisaged as part of the partition scheme, “the wider context was not ‘Europe’ but the British Empire, and the nationalist ideal was enjoying its finest hour as Woodrow Wilson presided over the creation of a battery of new nation states”.

Even at the time of the 1973-4 rerun, membership of the ‘Common Market’ was a novelty for both the UK and the republic.⁵

Just as supranationalists and inter-governmentalists are finding themselves frustrated by the ‘untidy’ evolving EU architecture, so neither nationalists nor unionists in Ireland are finding the evolution of the north-south debate quite to their liking: too pragmatic for the former, who have been very reluctant to flesh out what institutions they want; too robust for the latter, who fear stepping on to a ‘slippery slope’ to Dublin Rule.

In fact, as Paul Teague has explained, the EU experience provides no evidence for a deterministic assumption that economic co-operation must lead, willy-nilly, to political integration in Ireland. Yet, by the same token, nor does it validate a unionist political style based on “conflict and confrontation” towards the republic. Indeed, on the contrary, thick north-south institutional links could have a symbiotic relationship with the political stability of a new Northern Ireland.

Teague thus argues for

a form of north-south co-operation that stands apart from the main nationalist and unionist views on the matter. On the one hand, it rejects the nationalist preference for rolling integration as being neither feasible nor desirable. On the other

hand, it sees the unionist position as a rather unsophisticated zero-sum approach to matters such as sovereignty, identity and pooled decision-making. Instead, it argues that the EU could help embed a symbiotic approach to north-south relations. This approach offers a possible compromise between the two opposing blocs ... [I]f the various protagonists commit themselves to the search for a political settlement and forsake deeply held beliefs then the EU and European integration can help support the process. But ultimately the EU is only a concerned by-stander which suggests that it is up to those on the ground to secure the permanent peace.⁶

Nor should it be assumed that the framework document has resolved these matters. A senior Foreign Office official confided that he had had no idea at the time of drafting how the proposed north-south co-ordination with regard to the EU was to work—the then foreign secretary, Douglas Hurd, had told him that the Northern Ireland secretary, Sir Patrick Mayhew, needed the provision for political reasons.

What help can we derive, then, from specific cross-border initiatives elsewhere in Europe? Sabine Weyand points out that central governments still tend to regard these as part of international relations and that regions can only take responsibility for external policy fields for which they hold internal competence.

This highlights the proportionate relationship between the degree of autonomy of any new Northern Ireland administration and its capacity to pursue north-south co-ordination. A useful target of inter-regional agreements in Europe in this context has been to secure, through co-ordination, an outcome no less favourable than would have been achieved had the regions concerned been part of the same member state.⁷

Other, more negative, lessons comes from one of the grandest of inter-regional agreements, the ‘Four Motors of Europe’. Founded in 1988, this brought together the powerhouses of Rhône-Alpes, Baden-Württemberg, Lombardy and Catalonia, yet its high expectations for high-tech synergy have not been borne out. In this light, neither the north-south political body envisaged in the framework document, nor unionist resistance to institutional links, stands up very well:

The approach they have taken could be characterised as a ‘top-down’ approach to co-operation. Projects have in general been conceived at a political level and do not necessarily address any particular need of the regions involved ... Co-operation is thus in effect limited to the public sector; economic and social actors, not to mention the public at large, are not actively involved. Institutions which might help to structure interaction and ensure

continuity have not been established. Co-operation has therefore very often taken the form of ad-hoc events such as conferences or exhibitions rather than medium to long-term projects.⁸

By contrast, the longstanding ‘SaarLorLux’ association—embracing Saarland, Lorraine and Luxembourg—has been more successful. Integration requires ‘social learning’ on either side of borders, Weyand argues. “Associations such as SarLorLux ... with their extensive involvement of a range of governmental and social actors and their emphasis on creating contacts between the citizens of their regions, thus offer better chances for ‘social learning’ than purely or predominantly governmental associations, like, for instance, the ‘Four Motors of Europe’.”⁹

The key is to adopt a positive engagement. As Dunford and Hudson put it, urging “development of a Belfast/Dublin axis” on economic grounds, “A frontier location can be as much of an advantage in some circumstances as it can be a problem in others.”¹⁰ One European Commission official, while accepting the ‘political realities’ associated with the massive dependence of Northern Ireland on the Westminster subvention, nevertheless stressed how more could be done on the north-south agenda. While

there had been a common chapter in the Single Programming Documents for north and south, determining the allocation of the current tranche of structural funds, this had not been developed. And the north-south socio-economic agenda had largely been left to the private sector, as with the Dublin-Belfast corridor plan.

Perhaps the most profound comment on this whole area came from a senior economist in the republic. Partition, he said, had led to a loss of economic synergies, a lack of inter-firm relationships and a breakdown of trust. Addressing these concerns were all tied up with making Northern Ireland a successful economic region. South of the border meanwhile, political energies in the infant Free State had been devoted to independence. Latterly they had focused on reintegration, first into the EU, then the British Isles and now in terms of north and south. It was the wrong way around, but “that’s the deal that history cut us”. The key concern on that north-south axis was to build personal trust—and in this the EU provided an honest broker.¹¹

Here, the Institute for European Affairs has suggested an imaginative response to the wider European ‘flexibility’ dilemma:

Northern Ireland could be designated as a special region of the Union, entitled as

a right to choose whatever Community policies best suited its regional interests from amongst the policy packages applying separately to the Republic and to the UK. This idea has already been advanced on the grounds that economic growth could be enhanced by allowing the Northern Ireland economy to dine à la carte off the EU policy menu.¹²

The head of the Northern Ireland civil service, David Fell, has similarly suggested, with greater reserve:

Some will probably argue that a Northern Ireland administration would be in the best position if it could choose, issue by issue in some form of ingenious variable geometry, whether to align itself with the Irish or the British position—the best of both worlds.¹³

As Dennis Kennedy has pointed out, taken strictly the IEA notion would require amendment of the treaties (since these recognise member states, not regions) and special arrangements for funding within the UK.¹⁴ But if there were to be a relatively autonomous democratic polity in Northern Ireland, with maximum delegation of social and economic powers, then certainly there could be a *policy openness*, even without a formal EU recognition of special status for Northern Ireland. More difficult would be securing funding for programmes not supported by the British government—

the scale of the Westminster subvention to Northern Ireland precisely arises from the longstanding ‘step by step’ formula of parity of provision with the rest of the UK—especially with the future of the region’s ‘objective one’ status uncertain. The reality would have to be grasped of finding additional revenue internally.¹⁵

An even more difficult issue is how *the republic* would react to the sharing of sovereignty with the north implied by any move towards a joint approach to European matters. It was the former taoiseach Garret FitzGerald who first made this proposal, but FitzGerald *et al* percipiently point out that the framework document did not imply that the envisaged north-south body would deal with industrial promotion—where there could obviously be competition. “Against that somewhat discouraging background,” they go on, “how willing would the Irish state be to share with Northern Ireland its sovereignty over the most crucial area of its foreign policy?”¹⁶ In his Charles Carter memorial lecture in Belfast in 1994, Will Hutton astutely pointed out—however bitter a pill it was for his audience to swallow—that the north had come to be seen in the south as “a problem rather than a prize”.¹⁷

What can be said with certainty is that much of this comes down to popular political will. Gerard O’Neill rightly

insists:

It is the vision inside the heads of business people and citizens on both sides of the border that is the most important variable shaping the future for this island. A huge potential exists for enhanced co-operation between companies on both sides of the border, sharing marketing costs as well as investment costs. Such networks, successfully employed in Denmark and other European countries, could be put quickly into place, playing a catalytic role in releasing the potential for trade-led growth. It is people who will build the future, not economic models or international funds. Hence a key priority for policy-makers and businesses will be to build cross-border linkages: between educational institutions and enterprises; between voluntary groups and local authorities; and between suppliers and new customers.¹⁸

But what kind of society would underpin the ‘island economy’? That may prove a model question. ■■

Footnotes

¹ Paul Gillespie ed, *Britain’s European Question: The Issues for Ireland*, Institute for European Affairs, Dublin 1996, pp 44-5

² Richard Curran, ‘Economists warn on single currency’, *Sunday Tribune*, October 20th 1996

³ Lionel Barber and Andrew Gowers, “‘Irresistible’ pressure on UK over Emu”, *Financial Times*, December 2nd 1996

⁴ Richard Lambert et al, ‘Hopes of winning friends’, *Financial Times*, January 16th 1997

⁵ James Anderson, 'Territorial sovereignty and political identity: national problems, transnational solutions?', in Brian Graham ed, *In Search of Ireland*, Routledge, forthcoming

⁶ Paul Teague, 'The European Union and the Irish peace process', *Journal of Common Market Studies*, forthcoming

⁷ Sabine Weyand, 'Inter-regional associations and the European integration process', *Regional and Federal Studies*, vol 6, no 2, summer 1996, pp 168, 171. The republic is, in EU terms, a region in its own right. Whether this should be, or will remain, so is another day's work.

⁸ *ibid*, p175

⁹ *ibid*, p180

¹⁰ Michael Dunford and Ray Hudson, *Successful European Regions: Northern Ireland Learning from Others*, Northern Ireland Economic Council, Belfast, 1996, p186

¹¹ DD is planning a major round-table on north-south relationships later in 1997, in which hopefully trust will be at a premium.

¹² Institute of European Affairs, *1996 Intergovernmental Conference: Issues, Options, Implications*, Dublin, 1995, p226

¹³ David Fell, 'Northern Ireland in a European Context', one of the seminar papers published in conjunction with Paul Gillespie ed, *Britain's European Question: The Issues for Ireland*, Institute for European Affairs, Dublin 1996

¹⁴ Dennis Kennedy, 'North-south relations in the European context', in Institute of European Studies, *Northern Ireland and the European Union*, QUB, 1996, p62

¹⁵ Mechanisms for doing so are suggested in *Social Exclusion, Social Inclusion*, DD report 2, 1995

¹⁶ Paul Gillespie ed, *op cit*, p59

¹⁷ cited by Gerard O'Neill, 'The Northern dimension', in *ibid*, p139

¹⁸ *ibid*, p142

Social modelling

The insistence by the former prime minister, Margaret Thatcher, that there is ‘no such thing as society’, but only ‘individuals and their families’ profoundly encapsulated her Anglo-American antipathy to the European social model. It was essentially to deny the legitimacy of every European social theorist since Durkheim. (It was even to deny the fundamental conclusion of de Tocqueville that democracy in America rested on its civic associations).

A senior European Commission official put it in a nutshell. The period since the republic and the UK had joined the EU in 1973, he said, could be characterised as ‘invigoration’ for the former as against ‘introspection’ within the latter. Nowhere has this been more evident than in relation to the European social agenda. While the republic has become a model of social partnership and rapid consensual growth in the past decade, Britain has been marked by a widening gulf of

inequality against a backdrop (despite recent improvements) of sluggish growth. Thus, when compared with average growth in gross domestic product per head across the EU during 1975-92, the UK economy slipped back by 2.6 per cent, whereas the republic stormed ahead by 25.8 per cent.¹

Meanwhile, the British political class has become increasingly shrill about rebutting what Mrs Thatcher saw as ‘back-Delors socialism’ and ‘a diet of Brussels’. This though the volume of the denunciations of the social chapter of the Maastricht treaty is utterly disproportionate to the puny measures which have stemmed from it. A multinational economist said his company had had to set up a works council, but no more—it was, he said airily, “trouble about nothing or about very little”.²

From an all-Irish perspective, there is some irony here. Around the time of joining, there was some speculation that

membership would, as a *deus ex machina*, have a modernising effect on the politics of Northern Ireland, on the assumption that it represented an ‘out-moded’ quarrel. In the 90s world of proliferating ethno-nationalist conflicts, such an assumption now seems quaint. In retrospect inevitably, as Hainsworth writes of the political impact of membership on Northern Ireland, “the European Community has functioned as a new arena to rehearse traditional disputes”.³

Rather, and unanticipatedly, it is the *social* backwardness of the *republic* of 1973 that is unrecognisable today. And undoubtedly EU membership has been a powerful solvent of traditional attitudes, based as they were on Catholic and nationalist particularism. Just to take one obvious example, the election as president in 1990 of Mary Robinson—the very embodiment of social modernisation and Europhilia—would have been otherwise unthinkable. As Garret FitzGerald *et al* argue, for the republic membership “has assisted a society, which in the post-revolutionary half-century had become inward-looking, to turn outwards and take its place confidently in the world.”⁴

So what is the ‘European social model’? According to a senior adviser in DG V (the section of the European Commission responsible for social policy), it is characterised by an open economy, a

social floor, educational equality, social partnership and a role for non-governmental organisations. In essence, therefore, it does not anticipate the supersession of the market economy but yokes it to a régime of social regulation and thus represents the broad contemporary agenda of European social democracy.

It is a model now under severe attack, notably in its greatest success story, Germany, where the high social costs faced by employers are being resisted in the name of competitiveness.⁵ Roche and Geary warn that Europe now faces greater competition between industrial relations régimes—between strongly institutionalised systems (as in Germany) protecting labour rights and weakly institutionalised versions (as in Britain) stressing managerial prerogatives—with further ‘creeping deregulation’ likely.⁶

Yet this need not be a prescription for defeatism and passivity. If low social costs were the sole measure of competitiveness, Greece would be the strongest economy in the EU. Roche and Geary also point out how the current European economic success story, the republic, turned towards *greater* labour-market regulation just as the UK was moving—much less successfully—in the other direction. The larger argument that the

republic's boom is in considerable measure due to its adoption of a European-style régime of social partnership—even if that is not replicated at the level of the firm—is now well-established.⁷

What is required is a *reformation* of the European social model, an issue addressed by the *Comité des Sages* on social policy established by the European Commission which met between late 1995 and early 1996. Among its conclusions were: “A renewed, original social model could become the key to European economic competitiveness.” It spelt this out thus:

In the global economy to which we belong, competitiveness is a fixed imperative. But competitiveness cannot be improved by dismantling the welfare state or by reducing minimum social standards. What we have to do is change and overhaul our social system: reducing non-wage labour costs; developing social rights, such as training, to foster high value-added forms of production; rejuvenating European social dialogue and turning it into a source of competitiveness; coming up with a coordinated response to population ageing, with basic pension schemes and policies to make it possible for both men and women to reconcile family responsibilities and occupational obligations; tackling the various forms of social exclusion by way of more individualised innovative policies, in close conjunction with the non-

governmental organisations; and by paying heed to environmental matters.⁸

The *comité* recommended that the union should formulate a bill of civic and social rights to translate these principles into the entitlements of citizens. Unfortunately this ambition will not shortly be achieved.

In the here and now, however, precisely because the EU is developing as a ‘multi-level polity’, it does offer opportunities for intervention by social movements. As Marks rightly argues, while the success of such interventions depends on access to EU institutions and their receptiveness to the issues raised, it is also a function of the ability of the organisation concerned to relate to this Euro-environment.⁹

The influence of the Northern Ireland Council for Voluntary Action over the EU ‘peace package’—both its emphasis on ‘social inclusion’ and its ‘partnership’ mechanisms—was a classic example of how a group with a conceptual grasp of the European social model can make a big impact with Brussels. (Unfortunately, as a leading Northern Ireland economist pointed out, this is a debate which is hopelessly undeveloped in the region.)

Paul Bew and Elizabeth Meehan rightly see such political opportunism (in the best sense) as reflecting how voluntary organisations, and others, in

seeking to generate tangible socio-economic benefits to address Northern Ireland's special needs, have come "face to face with political inadequacies in the British constitution", and thus "increasingly see Community regional policies and networks as a means of circumventing the problems of vertical communication through central governments".¹⁰

"What we have to do is to find the networks to bypass the British government," the director of the Belfast Centre for the Unemployed told an Irish Congress of Trade Unions study on participation of the social partners in the structural funds.¹¹ There has indeed been a strong involvement by the voluntary sector in the region in wider networks, such as the European Anti-Poverty Network,¹² and with how common concerns (such as the development of 'community infrastructure' in disadvantaged areas) are being progressed in other regions. The interest of the European Commission, developing its 'civic dialogue', in the experience of Northern Ireland is testament to how the region's voluntary sector is seen as along the European leading edge. As one voluntary sector leader put it, there are many "cross-over points" between EU and Northern Ireland networks, across these islands and into other regions—a "complicated matrix" with which she evidently felt entirely constitutionally comfortable.

Introducing a NICVA document on the district partnerships established under the Special Support Package, the former European Commission president, Jacques Delors, described them as "a creative adaptation of the European model of Social Partnership, adjusted to Northern Ireland circumstances."¹³ Aileen McGinley, chief executive of Fermanagh District Council, took this broader view when she described the partnerships as "a major social experiment". She told a NICVA-organised conference: "It is about the development of inclusive and effective local democracy. This has transnational and global significance for other troubled areas of the world, illustrating how partnerships can be used as tools for community reconciliation and conflict resolution and the creation of a participative democracy that redresses the fundamental imbalances in our communities."¹⁴

Thus the 'peace package' has hinted at a redefinition of the political in Northern Ireland, pointing towards a less monopolistic style. The monitoring committee for the programme for the first time explicitly includes representatives of all the social partners, including the voluntary sector, as well as government and European Commission officials; the wider consultative forum replicates this on a broader basis.

At local level, the district partnerships, responsible for allocating some £37 million of the package, comprise one third district councillors, one third community and voluntary sector representatives, and one third private sector and others. The overarching Northern Ireland Partnership Board has a similar composition. The implication of the partnerships is that the skill of politics is redefined as not only having representative or expressive functions but also functions of dialogue and deliberation, in a rapport with social interests, driven by a commitment to securing public goods.

Unfortunately, some political representatives understood this as a usurpation of their legitimate role by unelected community activists. On the contrary, this is a much more elevated and challenging conception of the activity of politics, as well as potentially more stimulating and productive. Speaking in Dublin in October 1996, the regional affairs commissioner, Monika Wulf-Mathies, said the ‘peace package’ illustrated how the EU was about “respect for diversity and different cultures and overcoming divisions by working for a common interest”. And she added: “People are fed up with the politics of the past.”¹⁵

But not only have the district partnerships been delegated responsibility for

some of the expenditure in their district council areas; so-called ‘intermediate funding bodies’ have also been given that responsibility where their functional capacities are aligned. Thus, in terms of the social inclusion measures, the Northern Ireland Voluntary Trust, a charitable body wholly independent of government, has been allocated a global grant of £26 million to distribute as it determines to groups on the ground. Indeed, less than half of the ‘peace package’ cash is being allocated directly by government.¹⁶

Both initiatives, in capitalising on local knowledge or practical experience in the field, imply a decisive shift away from what Paul Hirst perceives as the outdated notion of the ‘omnicompetent’ state,¹⁷ towards more devolved mechanisms. Problems—namely of ultimate financial accountability—remain. But these are important pointers towards a form of governance more appropriate to a diverse society like Northern Ireland, where all social groups need to feel they enjoy an equal stake. The same principles apply to the north-south agenda, where instead of a purely inter-governmental approach Co-operation North was given an IFB role.

In an age weary of the bureaucratic failings of governance via state corporations, and frightened by the destruction

of the social fabric occasioned by reducing governance to the workings of the market, governance through civil society offers an increasingly attractive alternative. At a round-table on the theme of Negotiated Economic and Social Governance and European Integration, in Dublin in May 1996, Hirst argued, however, that such experiences had been limited to the local and the evanescent.

At the same event, though, Ash Amin drew on Danish experience to elaborate more broadly what he described as a ‘negotiated model’ of governance, which he suggested had five aspects:

The first is a high level of interest representation and organisation of public life across economy, politics and society. The second is the considerable spread of decisional authority and autonomy across a system of plural interest representation. Third, and as a consequence, the state plays a distinctive role as arbitrator and facilitator between autonomous organisations, in addition to that of rule-maker and specialised provider of collective services. The fourth aspect concerns the evolution of a dense network of vertical and horizontal channels of representation and communication as the basis for decision-making and policy co-ordination. The final aspect is the reliance on iterative dialogue for conflict resolution and policy consensus, through a variety of routine organisational devices such as informal

policy networks, arbitration councils, multi-interest special committees and co-representation.¹⁸

This provides a highly suggestive framework for how state and civic institutions should interrelate in Northern Ireland, particularly in how its diffusion of power would block monopolisation and abuse as well as injecting ideas and momentum. It is striking, by contrast, how silent the framework document, for all its impenetrable complexity, is on this whole area of the practice of governance—it is almost as if the two governments never thought it would come to that.

This broader perspective is important to keep in mind—especially when debates about Euro-cash threaten to dazzle us with the glint of the ECUS. **DD**

Footnotes

¹ Michael Dunford and Ray Hudson, ‘Decentralised models of governance and economic development: lessons from Europe’, in Northern Ireland Economic Council, *Decentralised Government and Economic Performance in Northern Ireland*, NIEC occasional paper 7, Belfast, 1996, p150

² The only other directive to date has been in the arena of parental leave; standards in Germany or Denmark were already far higher.

³ Paul Hainsworth, ‘Political parties and the European Community’, in A Aughey, P Hainsworth and M Trimble, *Northern Ireland in the European Community: An Economic and Political Analysis*, Policy Research Institute, Queen’s University Belfast/University of Ulster,

1989, p51

⁴ Paul Gillespie ed, *Britain's European Question: The Issues for Ireland*, Institute of European Affairs, Dublin, 1996, p38

⁵ 'Is the model broken?', *Economist*, May 4th 1996

⁶ W K Roche and J F Geary, 'Negotiated governance, industrial relations régimes and European integration', paper prepared for the COST A7 workshop on Negotiated Economic and Social Governance and European Integration, organised by the National Economic and Social Council, Dublin, May 1996

⁷ Rory O'Donnell and Colm O'Reardon, 'Ireland's experiment in social partnership, 1987-96', also presented to the COST A7 workshop

⁸ *For a Europe of Civic and Social Rights*, report by the *Comité des Sages*, European Commission, Brussels, 1996, p14

⁹ Gary Marks and Doug McAdam, 'Social movements and the changing structure of political opportunity in the European Union', *West European Politics*, vol 19, no 2, April 1996

¹⁰ Elizabeth Meehan and Paul Bew, 'Regions and borders: controversies in Northern Ireland about the European Union', *European Journal of Public Policy*, vol 1, no 1, 1994, pp 95-6

¹¹ Irish Congress of Trade Unions, *The Participation of Trade Unions and other Social Partners in the Community Support Framework for Northern Ireland*, Belfast, 1993, p62

¹² The director of NICVA, Quintin Oliver, is a former EAPN president.

¹³ *Partners for Progress: The Voluntary and Community Sector's Contribution to Partnership-building*, NICVA, Belfast, 1996

¹⁴ *Making Partnerships Work*, a report of a conference of that name, NICVA, Belfast, 1996, p33

¹⁵ Brendan Keenan, 'Row over NI funds gives wrong signal: EU chief', *Irish Independent*, October 19th 1996

¹⁶ 'EU gives go-ahead to £240 million peace package for North', *Irish Times*, July 29th 1995

¹⁷ Paul Hirst, *Associative Democracy: New Forms of Economic and Social Governance*, Polity Press, Cambridge, 1994, passim

¹⁸ Ash Amin, 'The negotiated economy: state and civic institutions in Denmark', paper delivered at the COST A7 workshop

Cash questions

The Single European Act of 1986, the project which established the single market, recognised as an offsetting principle the role of regional policy in “strengthening ... economic and social cohesion” (article 130A).

This led in 1988 to the reform, and doubling, of the ‘structural funds’ (the regional fund, the social fund and the guidance section of the Common Agricultural Policy), in which ‘objective one’ was the “development of structurally backward regions”, like Northern Ireland and the republic (though Northern Ireland’s inclusion, despite marginally breaching the threshold of 75 per cent of EU average GDP per capita, was on the basis of its ‘special situation’).

This growing orientation towards disadvantaged regions was strongly associated with the then president of the European Commission, Jacques Delors. Indeed, a further doubling of the structural funds in 1993, bringing the planned

total for 1999 to more than 27 billion ECU, was widely known as ‘Delors II’. Brussels’ growing regional largesse necessarily entailed a switch in regional funding from projects (led by member states) to more substantial and coherent programmes (led by the commission), which in turn implied a growing partnership with the disadvantaged regions.¹

But no one should get carried away by the Brussels *sauce* train, for three very important reasons. Firstly, crucial though it is as a vehicle for policy innovation, it pales beside the Westminster subvention to Northern Ireland. The 1994-9 structural-funds aid, plus specific Community Initiatives will deliver some £180 million annually on average.² Assistance to the region under the Common Agricultural Policy is running well in excess of £100 million per year.³ And expenditure in Northern Ireland under the ‘peace package’, though back-loaded over the initial period, 1995-7, would average at some

£70 million per year. This would imply annual EU assistance to Northern Ireland of some £350 million—about a tenth of the £3-4 billion subvention. In the wider context, structural fund expenditure is infinitesimal when set against the overall gross domestic product of the EU—just 0.4 per cent.⁴

Relatedly, as Harvey Armstrong points out, the goal of ‘economic and social cohesion’ is “tantalisingly vague”, making evaluation very difficult. Thus there has been no attempt by the commission, for obvious reasons, to identify just how large regional expenditure would have to be to have a significant effect on inter-regional disparities, but current levels—despite the quadrupling under Mr Delors—are almost certainly too low.⁵ And they are not likely to increase in the context of overall budget stringency, and particularly the continuing fiscal strains arising from unification in Germany: “The resistance to sizeable budgetary increases in a number of member states should not be underestimated. Germany’s politicians have increasingly drawn attention to the fact that Germany’s budgetary contributions are more than those of the UK and France combined.”⁶

The Budget Council, meeting in November 1996, confirmed its goal of a ‘zero growth’ EU budget for 1997. Indeed, it

envisaged a one billion ECU (c£800 million) *reduction* of spending on the structural funds and the Common Agricultural Policy.⁷

Thirdly, enlargement beckons, raising not only the prospect of the *beurre* being spread more thinly but also of both parts of Ireland rising well above a lowering threshold for major support from the structural funds, as the ex-Communist bloc bangs on the door of the union. The 10 central and eastern European aspirants have an average GDP only 30 per cent of the EU mean.⁸

True, the enlargement horizon is receding. The change of government in Malta has disturbed its application and the simmering inter-communal crisis in Cyprus has placed a big question mark over the latter’s. And as regards the central and eastern European countries, as David Arter succinctly puts it, the current phase of western European integration is in contrast to the post-Communist dynamic of disintegration—most tragically in ex-Yugoslavia and Chechnya—with which it has coincided in the east.⁹ The European Commission now admits that there will be no additions from the east before 2002.¹⁰

But the problem will remain, albeit postponed. As Armstrong contends, “The size of the EC regional policy budget remains inadequate for the tasks which

currently confront it. Further EC integration, notably the admission of new member states, would require a major new increase in the regional policy budget if regional disparities were to be prevented from widening.”¹¹ As Hooghe and Keating grimly conclude, with richer states increasingly reluctant to step up their payments, “It is possible that the limits of policy have been reached.”¹²

Hence the almost panicky debate in the republic as to whether it could defy its own centralist political organisation and have Dublin treated separately as a region, so the rest of the country could still be a significant funds beneficiary, or the suggestions that post-1999 funding should be functionally directed (eg at long-term unemployment) rather than regionally targeted.¹³

A European Commission official anticipated that the 75 per cent criterion for objective-one status would persist after the current tranche of funds runs out in 1999 and that there would be less scope for a political compromise to favour Northern Ireland in this regard (as previously). Moreover, there was a desired “democratic effect” of regions graduating out of objective one, and the union faced pressures from the World Trade Organisation to diminish regional aids in the name of global ‘market freedom’. And that was all apart from the competing

demands enlargement would, eventually, generate.

One thing is clear: there is no chance whatever of the republic coming within a kilometre of the 75 per cent threshold in the new millennium. The assessment is made on the basis of the most recent available three-year series, and the figures take some time to emerge. Nevertheless, while GDP per capita in the republic is still only 78 per cent of the EU average in the latest available series, 1991-93, so dramatic has been growth in the last few years that Eurostat estimates that the republic *overtook* average EU per capita GDP in 1996—and, by the by, that of the UK.¹⁴ Thus the regional affairs commissioner, Monika Wulf-Mathies told the House of Lords in January 1997: “Ireland needs to wean itself off regional aid from the European Union.”¹⁵

Gross *national* product gives a somewhat more sober measure, excluding as the latter does repatriated profits (which the republic’s high multinational penetration and low corporate taxation render substantial). A commission official in Brussels estimated the differential as around 10 per cent. So the republic is even on the cusp of losing its status as one of the four member states entitled to support from the Cohesion Fund—the threshold being a per capita GNP less than

90 per cent of the average. But the fact that it is one of the 15 member states around the European table means it will have the power to ensure transitional arrangements, rather than a cut-off of all financial life-support (outside of the Common Agricultural Policy) from the year 2000.

While the republic has taken off in the past few years, Northern Ireland's position remains laggardly. Thus, in 1993, its per capita GDP was 79 per cent of the EU average.¹⁶ In 1988, when the original judgments were being made about objective-one status, the figure was 76 per cent, on the margin of qualification—the balance tipped by the political factor. Partly because of the 1989-93 tranche of funds, Northern Ireland has now moved away from the borderline. The 'special' political situation, sadly, still pertains. But it is hardly an attractive case to have to advocate: 'okay, we're not really so poor, but we remain a political basket-case—please give generously'. Indeed, the failure of the 'peace process' may make it a case that is less receptively heard externally than in the past.

In a BBC interview last year, the European Commission vice-president, Leon Brittan, warned that Northern Ireland should make the most of the current

round of funds since support was only guaranteed to 1999: "There won't be a sudden cut-off of the money but there will be a need to focus on the poorest regions of Europe and by then Northern Ireland is not likely to be so poor by comparison." Since a drop in funding would reflect Northern Ireland's economic improvement, this should be a "source of pride", he suggested.¹⁷

So a key concern for Northern Ireland has to be to make maximum use of EU assistance as a small lever for a much bigger reconsideration of mainstream programmes—both in terms of their context and their delivery. And here the 'peace package' has been of great significance, especially its 'partnership' theme. Thus in April 1995, making his first visit to the UK since becoming president of the European Commission, Jacques Santer told a conference on the 'peace package' in Belfast, convened by Northern Ireland's three MEPS, that it represented a "bottom-up approach involving local and grassroots organisations".

As Hooghe and Keating rightly point out, while partnership has been a leit-motif ever since the 1988 reform of the structural funds, "Member states, however, reserved for themselves the right to decide who would be part of the partnership."¹⁸ The UK took this to imply a zero option, leading to frustration

amongst the social partners in Northern Ireland, growing commensurately with the structural-fund assistance to the region, at their absence of involvement.¹⁹

But the commission official referred to earlier argued that member states were likely to be allowed less discretion over partnership arrangements in the post-1999 structural-funds régime. Similarly, tighter guarantees of additionality—that EU funds are genuinely additional to those from the Treasury, rather than being used to offset them—were on the cards. And he said it was “disgraceful” that the commission didn’t even know the “financial circuits” through which structural-fund moneys went.

All these concerns are interlinked. Genuine additionality is only assured and transparency evident if funding is directed to discrete, innovative projects/programmes, rather than looking suspiciously like it is being attached to pre-existing departmental activities.²⁰ Innovation is thus at a premium, in turn requiring transparency in debate about how money should be spent, and maximising the ‘value added’ which relatively marginal sums can generate. The focus thus needs to shift from *how much* to *what for*—the latter question has so far received disturbingly little attention.

Given that the structural funds

represent a social-democratic mechanism of redistribution towards disadvantaged regions—to offset the tendency of capital to concentrate around the London-Milan axis—it might be thought that an egalitarian effect *within* the regions to which they are applied would be central. (Of course, the Common Agricultural Policy is openly regressive, being paid for by all European taxpayers but giving most assistance to the largest farmers.)

Not so, however, as a joint analysis by the Northern Ireland Council for Voluntary Action and the Community Workers’ Co-operative (a sister body in the republic) has shown.²¹ Only 23 per cent of structural-fund support in the north (marginally more in the south) goes to people living in poverty, people with disabilities and minority ethnic groups. Indicators of equality outcomes are sparsely used, monitoring of fund allocations tends to focus on financial control²² and non-governmental organisations comprise only 6 per cent of the representatives on monitoring committees. The report recommends much more rigorous equality-proofing of programmes, greater representation of women and NGOs on monitoring committees and a pooling of best practice north and south on indicators and monitoring.

Here again the innovative character of the ‘peace package’ should be

underscored. Terry Stewart, originally from Belfast but then a senior official in DG V, told the 1995 Belfast conference that it was a unique programme, especially in its emphasis on social inclusion. It highlighted the need for involvement of, and ownership by, local people in disadvantaged areas.

The experience of the EU 'Poverty 3' project in Northern Ireland, Brownlow Community Trust, which had adopted an integrated and multi-dimensional approach, had been "extremely useful", Mr Stewart said. Social inclusion was itself about involving people in a bottom-up way. And here much of the experience at local level was outside of the formal political arena, particularly among women who had held communities together. That emphasis on women's role—and the associated need for childcare—was endorsed by Ms Wulf-Mathies from the commission, later in the conference.

But politics more narrowly is not irrelevant here, particularly to the additionality issue. Supposing there was a highly autonomous regional administration in Northern Ireland, to which responsibility for the negotiation of European assistance—given its recognised 'special situation'—was transferred. While the additionality issue *vis-à-vis* the British exchequer *could* reproduce itself internally, there is at least

the possibility, particularly if such an administration operated in a transparent and accountable manner, that this long-running sore could finally be healed.²³ And, as earlier indicated, it would also open up fresh possibilities of north-south co-ordination.²⁴

There is, moreover, a wider and sobering political point. The innovative Marxist thinker Antonio Gramsci argued that politics needed to be understood as an "autonomous science". Yet, ironically, there has been a vulgar-Marxist tendency in Northern Ireland to assume that economic initiatives—such as the 'peace package'—can in and of themselves conjure political change, in the direction of reconciliation.²⁵ On the eve of the Belfast conference, Mr Santer said international funding could not buy peace. In a now-poignant comment, he went on: "That can only be achieved when people are prepared to live together in mutual respect and harmony."²⁶ Just so.

But then people have an uncanny tendency to be factored out of the European debate. **DD**

Footnotes

¹ Brigid Laffan, *Integration and Co-operation in Europe*, Routledge, 1992, pp 108-9

² derived from Northern Ireland Information Service press release, November 21st 1996

³ *Northern Ireland: A Region of the European*

Union, Representation of the European Commission in the United Kingdom, London, 1996

⁴ Lisbet Hooghe and Michael Keating, 'The politics of European Union regional policy', *Journal of European Public Policy*, vol 1, no 3, 1994

⁵ Harvey Armstrong, 'The role and evolution of European Community regional policy', in Barry Jones and Michael Keating eds, *The European Union and the Regions*, Clarendon, Oxford, 1995, pp 51-55

⁶ Laffan, conclusion to Laffan ed, *Constitution-building in the European Union*, Institute of European Affairs, Dublin, 1996, p212

⁷ European Commission Representation in Ireland, *The Week in Europe*, 42/96, November 29th 1996

⁸ Laffan, *Constitution-building ...*, p211

⁹ David Arter, *The Politics of European Integration in the Twentieth Century*, Dartmouth, Aldershot, 1993, pp ix-x

¹⁰ Lionel Barber, 'Brussels seeks to point way', *Financial Times*, November 22nd 1996

¹¹ Armstrong, op cit, p62

¹² Hooghe and Keating, op cit, p385

¹³ See 'Price of progress, EU to phase out aid for Ireland', *Irish Independent*, November 4th 1996

¹⁴ European Commission, *EC Economic Data Pocket Book*, no 11, 1996. I am grateful to the commission office in Dublin for this and the subsequent reference.

¹⁵ Frank Mulrennan, 'Ireland told it must wean itself off EU regional aid', *Irish Independent*, January 29th 1997

¹⁶ that is, of the current 15 members, not the then 12. See Eurostat, *Statistics in Focus: Regions*, no 1, 1996, Luxembourg

¹⁷ *Newsline 6.30*, BBC NI, June 19th 1996

¹⁸ *ibid*, p380

¹⁹ This was a recurring theme in research carried out by the author for the Irish Congress of Trade Unions in the run-up to 'Delors II'. See ICTU, *The Participation of Trade Unions and other Social Partners in the Community Support*

Framework for Northern Ireland, Belfast, 1993.

²⁰ *ibid*, p48

²¹ NICVA/CWC, *Equality and the Structural Funds*, Belfast/Galway, 1996

²² One exasperated member of a monitoring committee, interviewed for the ICTU study, exclaimed: "To be honest it's gobbledegook as far as I'm concerned." (ICTU, op cit, p50)

²³ ICTU, op cit, p48

²⁴ See chapter five.

²⁵ Paul Nolan and Robin Wilson, 'No reconciliation—no receipts', *Fortnight* 353, September 1996

²⁶ 'Euro cash aid cannot buy peace, says Santer', *Irish News*, April 10th 1995

Uptight citizens

Whatever measures are taken to improve the governance of the EU, the ultimate test of the viability of the European project is its relevance to the citizens of the union. On Europe Day (May 9th) last year, the commission president, Mr Santer, went on television to make that appeal.

The IGC was paving the way for Europe in the 21st century, he said. “It will be a more democratic Europe, closer to its citizens. All of you will have to play your part in shaping a more caring Europe with a commitment to shared prosperity.” He spoke of placing “the citizen at the very heart of political and economic action”.¹

One of the origins of the idea of European citizenship was a 1985 report to the European Council inviting it to bring into existence “the citizen as a participant in the political process of the Community”.² Eventually, this materialised as the Maastricht provisions for ‘citizenship of

the union’. Yet because this is premised on citizenship of a member state, the measures in the TEU represented a limited top-up. And thus they are also very thin—principally to vote, and stand for office, in local elections in a member state to which a citizen has moved and in elections to the European Parliament, to petition the parliament and to complain to an ombudsman.

As Siofra O’Leary concludes, “The Community’s democratic deficit will not be reduced by vague attempts to forge a European identity or by giving Member State nationals limited electoral rights on the basis of residence in another Member State.”³ And she tartly points out that the concept of union citizenship emerged without reference to actually existing citizens⁴—until the post-Maastricht referenda gave the citizens their reprise.

One test must be that citizens feel the union acts as a guarantor of their individual rights *as* citizens. No more so than

in Northern Ireland where the general absence of operational democratic norms and specific human rights depredations have had a corrosive effect on the region's political culture. These matters are highly germane to the future of the so-called 'third pillar' of the union, that dealing with issues of justice and home affairs.

The third pillar is so called because, like the 'second pillar' group of concerns (common foreign and security policy), it falls outside the primary pillar of the union, the European Community in the narrow sense. In these second and third 'pillars', matters are decided essentially on an intergovernmental basis, without the same exclusive initiative role for the European Commission, the same democratic input from the European Parliament and the same judicial oversight via the European Court of Justice. This general lack of accountability has fostered serious concerns about human rights protections in third-pillar matters, for example the treatment of asylum-seekers or dealing with 'terrorism'. As Patrick Fitzgerald warns,

The emergence of the infrastructure of the new European state has taken place all but unnoticed in this country [Britain]. The 'security deficit' that so worries the British government with the dissolution of internal border controls is

overshadowed by a far more significant 'democratic deficit' that grows ever wider as unaccountable democracies assume key security and law enforcement functions.⁵

The three-pillar structure agreed at Maastricht arose from the lack of consensus, especially as regards the UK (though the republic had concerns about the future of neutrality in terms of the second pillar), as to how much integration the treaty would entail. But most member states would like to see moves to integrate the second and third pillars more closely into pre-existing Community structures. Britain, however, does not. A British government official—disturbingly with a brief to address human rights issues in Northern Ireland—said third-pillar issues “touch directly on matters of constitutional principle”. Solutions might not “conform to the neat communitarised mould”.

An official of the parliament said that, to date, the third pillar had been “a monument to massive failure”. Not only was there a complete lack of parliamentary control, but he also pointed out that the exclusive right of initiative for the commission, in Community affairs, was, as guardian of the general European interest, a key safeguard for the rights of regions.

The irony of all this is that British Conservative hysteria about the union as

a ‘centralised super-state’ misses the point entirely. If, by implication the rights of ‘freeborn Englishmen [sic]’ are posited as under attack from European integration, the opposite is in fact the case. In reality, it is the *absence* of integration in third-pillar matters, largely at British behest, which has allowed a secretive, unaccountable apparatus in this area to emerge.

Crucial citizenship concerns are also raised in the arena of the second pillar—common foreign and security policy. For many citizens, the pretensions of the EU were punctured in the early 90s by its utter impotence in the face of the biggest crisis in the wider Europe since World War II—the conflict in ex-Yugoslavia. As Gerard Delanty gloomily ends his survey of the idea of Europe since antiquity,

Bosnia posed a fundamental question about the identity of Europe. This was the question of whether or not Muslims and Christians, both Orthodox and Roman, can live together in a single multi-ethnic state. Europe’s answer was no ... [T]he tragedy of Sarajevo encapsulates the failure of Europe as a multi-cultural civilisation.⁶

He concludes: “The crucial question for the future is whether it is possible to create a post-national kind of citizenship.”

And the crucial issue, he rightly adds, is “the institutionalisation of pluralism”.⁷ Yet currently EU citizenship is, by definition, merely national citizenship plus. In fleshing out his notion of ‘post-nationalist citizenship’, Vince Geoghegan has provided a richer alternative, highly germane for Northern Ireland both in terms of fostering internal compromise and encouraging a more outward-looking perspective:

Amongst the rights of citizens there must be recognition of a right to one or more identities of nationality, or to none at all ... There are, of course, a whole range of sub- and supra-national identities that are of immense importance, and that must be

addressed in a deeper and broader citizenship. In this way one can conceive of a possible plurality of national identities at the individual level, and certainly at the community level, coexisting with a multitude of other identities, guaranteed by a citizenship, located in a state, multi-state, or conceivably non-state, political system.⁸

Post-national citizenship, challenging as it does the monopoly of the nation-state, thus chimes well with the emergence of ‘multi-level governance’ as the architecture of the evolving union. Citizens must feel that they can meaningfully participate in, or engage with, the institutions of the union if they so choose to do. Here Elizabeth Meehan finds some positive pointers in the dealings of the European Commission with regions, cities and localities, voluntary bodies, sectoral representatives and pressure groups.

The ‘peace package’ provides an excellent example. Following consultations between the then commission president, Jacques Delors, and the three Northern Ireland MEPS, three representatives were sent to consult widely with opinion on the ground as to the shape of the package. Subsequently, the regional affairs commissioner, Monika Wulf-Mathies, has throughout been concerned to widen participation in the deliberations around, and delivery of, the programme.

As Meehan argues, this commission

style opens up “a new framework—a complex, multi-dimensional configuration that is both difficult to cope with and provides opportunities ... While the complexity of this framework is intimidating in the demands it makes in finding our way around the European public space, it can provide many openings for challenging authority, for expressing our various loyalties associated with our various identities, and for exercising our rights and duties in more than one arena.”⁹

But transparency is at a premium if the union is to be accessible to all. It was thus that the *Comité des Sages* concluded: “Inclusion of civic and social rights in the Treaties would help to nurture that citizenship and prevent Europe being perceived as a bureaucracy assembled by technocratic élites far removed from daily concerns.”¹⁰

Which brings us to the future. **DD**

Footnotes

¹ European Commission office in Northern Ireland, press release (EC/02/96)

² report of the Adonnino committee, cited in Elizabeth Meehan, *Citizenship and the European Community*, Sage, London, 1993, pp 147-8

³ Siofra O’Leary, *European Union Citizenship: Options for Reform*, Institute for Public Policy Research, London, 1996, p97

⁴ *ibid*, p100

⁵ Patrick Fitzgerald, ‘Repelling borders’, *New Statesman & Society*, February 17th 1995

⁶ Gerard Delanty, *Inventing Europe: Idea,*

Identity, Reality, Macmillan, Basingstoke, 1995,
p158

⁷ *ibid*, p160-1

⁸ Vincent Geoghegan, 'Socialism, national identities and post-nationalist citizenship', *Irish Political Studies*, vol 9, 1994

⁹ Meehan, *op cit*, pp 159-60

¹⁰ *For a Europe of Civic and Social Rights*, report by the *Comité des Sages*, European Commission, Brussels, 1996, p13

Future imperfect

The post-Maastricht referenda marked a watershed in the evolution of the European Union.

As Eddie Moxon-Browne has written,

The 1990s witnessed an apparently widening gulf between the determination of élites to pursue the consequential and collateral policies associated with the single market, and a wariness on the part of

European electorates as to the content, scope and direction of these policies, never mind the institutional mechanisms for achieving them. Put another way, the ‘permissive consensus’ which had long been taken for granted by governments, and had allowed them to assume at least tacit support for integrative policies in the 1980s, had virtually evaporated by the 1990s.¹

The referenda, especially the initial Danish ‘no’ and the very narrow French ‘oui’, blew apart such complacency. In their aftermath, no proposals for further European integration can ignore the democratic imperative they raised. As Andrew Gamble has put it, “A technocratic and élite-driven process can no longer provide an adequate basis for European governance.”²

Moreover, there is a deep uneasiness, in the wake of the fall of the Wall, the 1990s recession and mounting social stresses, as to where Europe is going.

Donald Sassoon is withering:

A community whose great boast is to have brought prosperity to Europe faces up to twenty million unemployed and has little idea ... what to do to put them back to work ... A community exulting in its contribution to the maintenance of peace on the continent found itself paralysed when faced with the war in Bosnia. Uncertainty and doubt prevail.³

“Europe,” writes Paul Gillespie, “lacks vision and spiritual vitality. It has no sense of direction and purpose.”⁴ And Brigid Laffan, citing Vaclav Havel’s ironic observation of the EU as “an absolutely perfect and immensely ingenious modern machine”, warns that it must address the issue of values: “The central question remains just what objectives and values are feasible, desirable and sustainable in the new Europe ... The union must move from contracts among governments to the consent of the people.”⁵

The academic assessment is backed by leading parliamentarians. In the European Parliament’s second annual ‘state of the union’ debate last September, Pauline Green, leader of the dominant socialist bloc, spoke of a “general mood of disillusion and depression. The union is dismally uninspiring. Indeed, to the overwhelming number of people it is completely irrelevant.”⁶

So what is to be this vision; what is to

comprise these values? Des Geraghty, a former MEP and a leading official of the republic’s largest union, SIPTU, told the 1996 conference of the Irish National Organisation of the Unemployed:

One vision is of a massive supermarket. This view is promoted assiduously by the UK government and the free market and neo-liberal advocates who see progress being achieved only by a rapidly expanding market-place ... with competition as the driving force, a reduced level of social protection for workers and consumers, and minimal institutional reform. The other vision is of a ‘social Europe’ driven by the need for economic and social cohesion, balanced integration and institutional effectiveness with economic, social and environmental protection and increased involvement by the citizens in a more democratic society.⁷

Rejecting the first vision, Sassoon rightly argues that, for the future, politics—not market integration—has to be the guiding force. “One must start on the basis of the common values which underline the Union: these include liberal democratic values, social cohesion, economic growth, environmental protection, anti-discrimination and the struggle against joblessness. These are all, ultimately, political values.”⁸

These values, Sassoon contends, should be incorporated into a European

Charter—the union has no public statement of the sort of club it is, its principles, its rules, and the rights of its citizens. This would set out:

- the purpose of the union and its values;
- how it defends the cultural and political rights of its member states and their diverse ethnic communities;
- the rights of citizens, including incorporation of those in the European Convention on Human Rights;
- the principle of subsidiarity; and
- the decision-making structure of the union.

The charter would establish the core of the otherwise indigestible *acquis communautaire* (accumulated EU legislation) which new entrants must accept, thereby speeding enlargement. It would be non-negotiable (except unanimously) and so constrain the expansion of variable geometry. It would give Europeans a real stake in the union, thereby rendered accessible and intelligible; its provisions would automatically become part of domestic legislation in member states.⁹

Nothing so radical, unfortunately, is likely to eventuate any time soon. Far from starting from the concerns of Europe's *citizens*, the process of 'successive approximation' through which the treaties are revised in intergovernmen-

tal conferences starts from what is acceptable to the larger *states*. Far from establishing a compelling vision, based on widely supported values, the emphasis is on particular and complex trade-offs and fudges. And far from opening a debate to 'citizens of the union' about Europe's future, the real business goes on in endless meetings behind closed doors.

Thus, as Deirdre Curtin notes, the IGC process is taking the form of a "focus on *specific problems*, in particular in the institutional context, at the expense of an *overall vision* as to the requisite direction and nature of the further progress towards European Union in the light of the worldwide changes which have taken place in recent years. This approach may ultimately prove problematic. The Europe of Maastricht suffered from a crisis of *ideals* and hence had no mobilising force. The signs for 1996[-7] are not reassuring in this regard; the more 'realistic' or pragmatic the goals, the less they will be capable of capturing the higher ground and truly mobilising public opinion."¹⁰

The republic's draft treaty¹¹ does certainly address several problems, though it leaves big questions for later. But take the key issue of 'the struggle against joblessness'. The new employment chapter would enshrine in the treaty the goal of a 'high level of' employment and, *inter*

alia, establish an employment committee of the Council of Ministers. The idea is that this new goal and this new committee would ensure that an emphasis on job creation would match that on financial criteria enshrined in EMU and in the ECOFIN committee of finance ministers.

But first note the indefinable ‘high’—some delegations, the treaty commentary reports, preferred the more tangible ‘full’. Secondly, the only practical reference is to ‘incentive measures’, again undefined. On the very first day of the republic’s presidency, the commission president, Mr Santer, said he thought it a reasonable goal to secure a halving (to 9 million) of unemployment in the union by the year 2000.¹² Yet for that, far more radical *substantive* provisions would be required.

‘Euro-Keynesian’ measures entailing a dramatic, continental-wide reflation would be necessary, allied to equally dramatic reductions in working time. Nothing like that is on the political agenda. A cynic (and there are many among the more than 50 million Europeans enduring poverty and social exclusion) would say that when governments won’t do anything in practice, but want to be seen to be doing something in principle, they set up a committee. There is indeed a very real danger that unemployment in the union will keep *rising* into the new

millennium—apart from 1985-90, it’s been doing so since 1973. Only little Luxembourg has achieved a ‘high level’ of employment for a sustained period.¹³

Social provision is another key area, yet the Irish draft is notable for confining itself to a two-page commentary on the matter. It indicates a preference (against British opposition, of course) for the incorporation of the modest social chapter of Maastricht into the treaty. And in a sentence notable for its many conditional terms, the commentary continues: “The Presidency considers that in examining in due course the incorporation of the Social Agreement into the Treaty, the Conference should consider whether certain improvements of substance should be made in order to strengthen the effectiveness of the Community’s social policy including for example the proposal which has been made to strengthen the Treaty provisions on social exclusion.”

Or take the whole area of citizenship. The draft treaty offers a ringing statement of citizens’ rights: “The Union is founded on the principles of liberty, democracy, respect for human rights and fundamental freedoms ...” Yet it merely says it will “respect” the European Convention of Human Rights, rather than the union acceding to the convention corporately. Welcome assertions on gender equality are similarly largely declaratory.

Particular concern in human rights terms attaches to the so-called ‘third pillar’, co-operation in justice and home affairs. The treaty commentary suggests, though no more, that issues related to freedom of movement and asylum/immigration within the pillar should be brought within the European Community framework (with the associated mechanisms of accountability via the commission, parliament and court). None of that, however, addresses the substantive problem of the increasingly hostile, ‘Fortress Europe’, tone of asylum policy across the union.¹⁴ Indeed, the draft treaty underscores the principal that EU citizenship is premised on member-state citizenship.

Moreover, it is striking that the Irish draft makes no proposal to ‘communitarise’ those third-pillar provisions relating to police and intelligence co-operation. Yet there are very serious concerns indeed here about the accountability of Europol and the regulation of computer databases and exchange of information on persons. The taoiseach, John Bruton, was right to describe a major public concern across Europe as ‘safe streets’, yet not only terrorists and drug traffickers but also unaccountable police and intelligence services can jeopardise the rights of citizens.

Turning to the ‘second pillar’ of

common foreign and security policy, the draft proposes a new early-warning unit in the Council of Ministers and provision to relax unanimity requirements on decisions in this, again intergovernmental, arena. Unanimity would still, however, be required in any decisions with military implications. If one were to ask the question whether these would have led to a coherent and effective response to, say, the crisis in ex-Yugoslavia which so undermined the union’s credibility in this area, the answer would still have to be no.

Finally, on institutional reform, the treaty recommends an increase in the powers of the parliament—to approve the nomination of the president and in the areas where it is involved in ‘co-decision’ with the Council of Ministers. But subsidiarity remains defined in member-state terms and the role of the Committee of the Regions (as against its administrative autonomy) remains unchanged. Crucially, a number of issues were left unresolved in the Irish draft: the balance of power between smaller and larger member states (as reflected in commission representation and the weighting of votes in the council), the extension of majority voting in the council into new areas and, above all, the vexed question of ‘flexibility’. The commentary on the draft describes the

latter as “of the greatest significance for the future development of the Union”.

The Irish draft in general will otherwise no doubt closely resemble what finally emerges in Amsterdam in June, or later in the year if agreement is further postponed. The issues left unresolved were implicitly rendered conditional on the behaviour of an incoming Labour administration at Westminster.

This battle over ‘differentiated integration’ goes to the heart of the difficulty in concluding the IGC, given British opposition to the German-led continental front. But the willingness of the prime minister, Mr Major, to embrace a more ‘flexible’ Europe to allow proliferation of UK ‘opt-outs’ is a riskier strategy than he seems to have realised. ‘Flexibility’ cuts both ways—and every insistence on a UK right to detachment will be met with even mightier insistence on the part of all or most of the other 14 that they should be entitled to embrace strengthened co-operation:

The problem with Britain under the Conservatives is that the country has no clear and consistent policy towards Europe except maintaining the *status quo*. Yet, of all the possible scenarios available—and these range from utter disintegration to rapid integration and expansion—the preservation of the present state of affairs

seems to be the least likely. Creating obstacles to further integration by using one’s veto and negotiating further opt-outs will have an impact, but it will not prevent the expansion of variable geometry.¹⁵

The ‘flexibility’ idea was originally Mr Major’s. In a speech at the University of Leiden in late 1994, he said a flexible, multi-track Europe would be necessary if the union were to be enlarged to the east and accommodate the diversity of its members. But it is France and Germany who are now pressing the flexible Europe idea—not so that Britain doesn’t have to change, but so that they can secure change against British wishes.

A Franco-German paper of December 1995 said: “The temporary difficulties of one of our partners to keep up with the forward movement ought not to be an obstacle to the Union’s capacity for action and progress. For this reason we judge it desirable and possible to introduce into the treaty a clause of a general nature which would permit states which have the will and the capacity to develop between themselves closer co-operation in the single institutional framework of the Union.”¹⁶

By last June it was being reported that “Twelve of Britain’s 14 European Union partners are ready to join a hard core grouping committed to closer integration in key areas of foreign policy,

defence and internal security—if necessary without the UK.”¹⁷ And in October, France and Germany submitted a joint document to the IGC presenting their idea of a ‘flexibility clause’ to be included in the redrafted treaty. This would permit, through the Council of Ministers, ‘enhanced co-operation’ between those member states who wanted further integration in a particular area, with no veto right for a dissenting state—the ‘ins’ and ‘outs’ of EMU would be the model.¹⁸

Indeed, in January 1997, the *Independent* revealed confidential Franco-German proposals, taken up by the commission, to include harmonisation of taxation and social security policies within the area of ‘flexibility’, once the single currency was up and running.¹⁹ The Labour leader, Tony Blair, has however declared that in government he would be prepared to exercise a British veto on defence, taxation, immigration and border controls: “If it is in Britain’s interest to be isolated through the use of the national veto, then we will be isolated.”²⁰

This may ‘neutralise’ the European issue in the British election campaign, but there is only one problem: it is not sustainable practical politics. As Ian Davidson argues, while in theory the unanimity requirement for treaty amendments underpins Mr Blair’s

position, “if the large majority of the member states remains committed to closer political integration in Europe, it is simply not plausible to suppose that they will for very long allow Britain to dictate their future”. An informal hard core will emerge if a formal distinction is blocked.²¹

It should also be recognised that the EU will be likely to offer a cold climate in coming years for radical social change. The prolonged recession of the early 90s and enduring mass unemployment—more than 4 and a half million now, in Germany alone—have strengthened in particular the populist, nationalist right.²² And the convergence criteria for participation in EMU reflect historical German terror of Weimar inflation and determination that the beloved Mark shall not be exchanged for a weak euro, rather than the condition of the diverse ‘real’ economies of member states—never mind the weak regions.

As Wolfgang Streeck anticipated, this has meant “austerity measures”,²³ as evidenced by the sharp welfare contractions pursued in France (1995) and Germany (1996) and the painful ‘Euro-tax’ introduced in Italy (1996)—in each case evincing massive popular protests. Not only do the convergence criteria exclude non-financial considerations, such as

maximum tolerable unemployment or minimum acceptable social protection, but also EMU will render impossible resort to reflation or devaluation to enhance demand and employment.

The ‘stability pact’ agreed at the Dublin summit in December, while less tough than Germany wished, will nevertheless ensure that struggling EMU participants do not break fiscal ranks. Warning that unemployment had trebled in the past 20 years or so, a British corporate economist said the stability pact risked building a “constant deflationary bias” into fiscal policy across Europe.

Christopher Johnson points to the difficulties posed by the contrast between the centralisation of monetary policy under EMU and the continued decentralisation—in theory—of fiscal policy to member states.²⁴ Given its minimal budget as a proportion of EU gross domestic product, the union has very little scope to offset co-ordinated monetary restraint by co-ordinated fiscal reflation. (As a genuinely federal system, the United States has a federal budget of 11-13 per cent of GDP, depending on how counted.)

As the economics editor of the *Observer* puts it, “For some time it has been obvious that economic policy in Europe accords too much respect to central banks and price stability and not enough to the democratic process and employment.”²⁵

In line with that perspective, the Florence summit last June refused to back the plea by the European Commission president, Jacques Santer, for an extra £800 million to invest in the trans-European network infrastructure projects. Afterwards, he said: “To tolerate the continuing unemployment of so many millions of our people is unacceptable.”²⁶ His predecessor, Jacques Delors, subsequently accused Germany of reducing EMU to deficit reduction and thereby stifling growth and jobs.²⁷

Disadvantaged regions like Northern Ireland face particular challenges in this context. As Keating points out, the single-European-market project was underlain by neo-liberal economic assumptions, of perfect competition and perfect mobility of ‘factors of production’, such as labour. Yet what if these two conditions do not apply? What if, for example, as is likely, capital is far more mobile towards high-productivity regions than (given human realities) is labour? Or what if particular regions face what economists call ‘asymmetric shocks’—those which do not affect the system as a whole—such as the renewal of high-intensity conflict in Northern Ireland?

Northern Ireland has of course always been part of a monetary union itself—the UK—and its experiences in the late 50s/early 60s and early 80s are salutary ones.

Deflationary Treasury measures premised on the economic state of the home counties gave the region a very nasty shock indeed in both cases, bringing soaring unemployment in their wake. In the first case these led ultimately to the ejection of the then Stormont premier, Viscount Brookeborough from power in 1962; in the second, they were associated with the hardening out of militant republican (and loyalist) sub-culture after a period in the late 70s of declining political tensions.

Membership of EMU will similarly mean that the behaviour of major economic instruments (exchange rates and interest rates) will be essentially determined centrally by the European Monetary Institute—the *Bundesbank* writ large—while fiscal laxity by member states will be prevented by the stability pact. These decisions will reflect the priorities of core regions which enjoy what economists call ‘agglomeration economies’ (the coming together in one place of key economic factors like skills, research establishments, investment banks and so on), as against the more adverse economic circumstances facing peripheral areas.

Thus, as Hooghe and Keating put it, “economic and monetary union ... implies common monetary and fiscal policies, which may involve imposing restrictive

anti-inflationary measures, designed for booming areas, in places which have substantial under-utilised resources”.²⁸ Like people. And, as we have already seen, Northern Ireland can not in future expect an infinite supply of Euro-funds to compensate for this stringency.

It is now time, finally, to turn to Northern Ireland’s place in this scheme of things. **DD**

Footnotes

¹ Eddie Moxon-Browne: ‘Citizens and parliaments’, in Brigid Laffan ed, *Constitution-building in the European Union*, Institute of European Affairs, Dublin 1996, p71

² Andrew Gamble, ‘Economic recession and disenchantment with Europe’, in Jack Hayward ed, *The Crisis of Representation in Europe*, Frank Cass, London, 1995, p171

³ Donald Sassoon, *Social Democracy at the Heart of Europe*, Institute for Public Policy Research, London, 1996, p5

⁴ Paul Gillespie, ‘Diversity in the union’, in Laffan ed, p41

⁵ Brigid Laffan, ‘Governance in the European Union: towards a new architecture of statehood?’, paper presented to the COST A7 workshop, organised by the National Economic and Social Council, on Negotiated Economic and Social Governance and European Integration, Dublin, May 1996

⁶ Neill Buckley, ‘European MPs attack lack of EU vision at top’, *Financial Times*, September 19th 1996

⁷ ‘EU focus on unemployment stressed’, *Irish Times*, April 24th 1996

⁸ Sassoon, op cit, pp 11 & 27

⁹ *ibid*, pp 28-31

¹⁰ Deirdre Curtin, ‘IGC priorities for 1996’, in

Laffan ed, p172

¹¹ *The European Union Today and Tomorrow*, European Commission (CONF 2500/96), Brussels, December 1996

¹² Interviewed on RTE Radio, July 1st 1996

¹³ *Eurostat Yearbook '95*, Office for Official Publications of the European Communities, Luxembourg, 1995, p285

¹⁴ Leonard Doyle, 'EU slams the door on fleeing victims', *Guardian*, March 23rd 1996

¹⁵ Sassoon, op cit, pp 21-2

¹⁶ Ian Davidson, 'Orthodoxy reversed', *Financial Times*, March 6th 1996

¹⁷ John Palmer, 'Vetoes hasten two-tier EU', *Guardian*, June 11th 1996

¹⁸ Imre Karacs, 'UK set for Europe's slow lane', October 19th 1996

¹⁹ Sarah Helm, 'EU fleshes out how "flexibility" would work', *Independent*, January 16th 1997, and 'EU confirms common tax plan', *Independent*, January 17th

²⁰ Colin Brown, 'I'll use the Euro veto, says Blair', *Independent*, December 16th 1996

²¹ Davidson, 'Will Blair lead us out of Europe?', *New Statesman*, December 20th 1996

²² Carolyn Rhodes and Sonia Mazey eds, *The State of the European Union Vol 3: Building a European Polity?*, Longman, Harlow, 1995, p3

²³ Wolfgang Streeck, 'Neo-voluntarism: a new European social policy régime', in Marks et al, op cit, p86

²⁴ Christopher Johnson, 'Fiscal and monetary policy in economic and monetary union', in A Duff, J Pinder and R Pryce eds, *Maastricht and Beyond: Building the European Union*, Routledge, London, 1994, pp 71-83

²⁵ William Keegan, 'Major's war machine hits wrong target', *Observer*, May 26th 1996

²⁶ John Palmer and Michael White, 'Days numbered for EU's new truce', *Guardian*, June 24th 1996

²⁷ 'Bonn, Paris out of tune on Emu pact', *Financial Times*, November 28th 1996

²⁸ Lisbet Hooghe and Michael Keating, 'The politics of European Union regional policy', *Journal of European Public Policy*, vol 1, no 3, 1994, p369

Conclusion

Where does Northern Ireland fit into this broader canvass? We need to start from a sober assessment.

A former commission official, originally from Northern Ireland, summarised its future in Europe as “rather bleak”. Enlargement and fiscal tightening across the union, he believed, would indeed end Northern Ireland’s privileged position in terms of fiscal transfers; it could no longer be a “cosseted region”. In a world where economic success depended on the interplay of human capital and geography, meanwhile, it would be those regions and city-states that could best secure that interplay which would succeed. Yet Northern Ireland had no institutions for working out where it wanted to go.

The former Stormont premier Terence O’Neill once claimed that Northern Ireland was ‘at the crossroads’. Updating his assertion we might say it lies on a slip road to a trans-European network. It can,

in theory, remain in the relative tranquility of the back roads, but only at the cost of the mainstream European traffic—including to and from Dublin—accelerating past. Worse still would be to choose to enter the cul-de-sac signposted Little England.

What Northern Ireland can not expect is an indefinite tow. Broader European opinion has its expectations, as well as competing demands. It expects that the road to Dublin will be open and widely travelled in both directions (even if, ironically, renewed IRA activity requires a visible border); it expects that it will not be asked indefinitely to fund an *instead-of-peace* package; and it faces the budgetary constraints associated with the domestic burdens on its biggest paymaster (Germany), alongside the prospect of more European mouths from the east to feed in the next decade.

Nor can Europe provide political deliverance: some of the more wistful

accounts of the ‘peace process’ have implied that the ‘internationalisation’ of the conflict would somehow spirit Northern Ireland’s glaring internal divisions away. On the contrary, Europe can no more deliver a political than an economic salvation for Northern Ireland. Rather, all the evidence indicates that in an ever-more competitive global environment it is only those regions which have got their political act together which will flourish.

In a sense, then, it is time to reverse the telescope. Instead of endlessly asking what Europe can do for Northern Ireland, all those concerned with the future of the region should be asking what they and it can do to maximise the opportunities the evolving EU architecture provides.

In establishing just where Northern Ireland does want to go, a three-dimensional approach is required. The first is a pragmatic focus on establishing a democratic and egalitarian regional administration, which can act dynamically in a European context rather than see Northern Ireland left in the slipstream. Retreating into a Eurosceptic, integrationist (in a British context) bunker offers no alternative. For the *regionalisation* of Europe, as against a Euro-regionalism,¹ remains an unavoidable reality.

The goal would have to be for such an administration to follow the model of Marks *et al* by articulating “an

autonomous voice at the European level” and seeking “to exploit the multiplicity of cracks for potential influence in a fragmented multi-level polity”.² As a senior commission official pointed out, Northern Ireland is perceived by the EU as “a distinctive European region”, and there is a case for it enjoying “self-governance” (by which he didn’t mean independence), rather than, as had been the case since the Anglo-Irish Agreement, the EU looking to the two governments in London and Dublin. Were such an administration to be established, a beefed-up Northern Ireland Centre in Europe could then become its official representative before the institutions of the European Union.

This need not require agreement on the elaborate trappings of the framework document; what is required is a collective, cross-sectarian commitment to making it happen and building the trust to make it work. It needs to be a highly autonomous administration, if it is to achieve the concertation of social forces, the engagement with the EU institutions, and, in that context, the collaboration with the republic that is necessary if the region is not to remain an uncompetitive laggard.

The second dimension is a further, deeper level of democratisation, needed for as long as the first is absent and as one guarantor against undemocratic

abuse as and when it is secured. A Blair administration at Westminster will certainly not be Euro-sceptic, but all indications are that it will indeed be Euro-wary. While an agreement in the IGC, if it is limited, seems possible, and eventual participation in EMU unavoidable, Labour is so terrified of being painted as recreating 70s 'corporatism' that it has already ruled out European-style social partnership arrangements for Britain. Yet in Northern Ireland, such arrangements do exist in embryo.

Firstly, there is the official context of the Northern Ireland Economic Council; secondly, there are voluntary coming-togethers in the Social Partners Forum, as well as the 'G7' group. The Social Partners Forum, drawing together employers', workers', farmers' and voluntary-sector representatives, and delicately described as an "informal grouping" by the European Commission—mindful of UK government sensitivities—has offered a sounding board for commissioners visiting Belfast, and in October the group spent two days in Brussels, meeting the social affairs commissioner, Pdraig Flynn, at his invitation, as well as relevant commission officials.³

Moreover, as the Northern Ireland Economic Council commented on the Dunford and Hudson study it

commissioned, successful European regions have managed to create environments "conducive to widely accepted and mutually-supportive choices ... across the regional economy". And, frankly, any new regional administration for Northern Ireland would—or, at least, should—be desperate after such prolonged political atrophy for concerted input from those who had, in effect, been running the socio-economic show in their absence.

The third dimension, related to both the previous two, is the north-south aspect. As Elizabeth Meehan and Paul Bew argue, while 'top-down' proposals for EU political involvement in Northern Ireland have met resistance,

the EC has features which might ameliorate NI's conflict from the 'bottom up': the lessons of its peace-making origins and the Continental tradition of coalitions and alliances, the idea that interdependence is more significant than impregnable borders, and new legal and administrative frameworks for development programmes, particularly cross-border ones.⁴

The former president of the European Commission, Jacques Delors, once confided to this writer—conscious as he was of the sensitivities involved—that he wanted particularly to see this aspect developed. The senior commission official who referred to a Euro-view of Northern Ireland as a distinctive region equally

indicated that Ireland tended to be viewed as an entity. And it is here that the socio-economic focus of meaningful north-south co-operation and the British-Irish disjunction on attitudes to the European social model dovetail interestingly.

For all these arguments point both not only the desirability of an autonomous political voice for Northern Ireland but also a strong association with the republic, to develop the socio-economic agenda on an island-wide basis. Institutions are needed, because there has been an evident ‘market failure’ to exploit the potential of the island economy in the context of partition; the history of the EU demonstrates how achieving a single market can not be done across national boundaries without institutional encouragement.⁵

Here, indeed, the recent literature on European integration, as Paul Teague has shown, offers us a way through, ultimately unsatisfactory for unionist or nationalist ideologues but surely acceptable for pragmatists of either hue (or neither). The politically controlled north-south body envisaged in the framework document may again not represent the answer, as the experience of other transfrontier arrangements in the union suggests.⁶ It implies a belief in an omniscient central apparatus no longer

accepted anywhere as appropriate for domestic governance.

More frightening for unionists, however, may be that the answer may well lie in *more* north-south institutions, rather than fewer. What is important is to develop an ever-thickening fabric of institutional links, undoing the negative effects of partition, through trial and error in an iterative ‘social learning’ process. Underpinning this should be the trust that can only be built through the direct participation of the various social interests concerned, as well as political representatives.

Unionists can only resist this scenario in terms of cutting off their noses to spite their faces. Given the material disbenefits involved—not to mention its churlishness towards reconciliation—this is simply not a sustainable stance. Equally, nationalists cannot expect to secure a supranational, ‘dynamic’ north-south body which has an implied teleological future as a proto-government of a united Ireland; but surely they can recognise half a loaf when they see one.

Northern Ireland’s political class must thus take its collective head out of the sand and realise that indefinite prosecution of its diverse subjective constitutional aspirations is a luxury its citizens can no longer afford. Even if unionists were to achieve the ‘victory’

over nationalism of integration with a Eurosceptic Britain, they would be thus condemning Northern Ireland to a dependent relationship with a theoretically independent state which was in reality languishing in Europe's backwater. And if nationalists were to sit back to await their only hope of displacing unionism—that Irish unity will somehow fall into their lap in a supranationalist Europe—their day would never come.

Part of the problem is that there has hitherto been no punishment for Northern Ireland's politicians, or paramilitaries, for failure: Stormont Castle keeps governing; Westminster keeps paying the cheques. Its citizens do suffer, however. Just take the comparative economic performances of the two parts of the island: while there can be argument as to quite how big a factor it has been, no one in the republic doubts that the ability of the state to engage effectively with the European Union, and of its major social sectors to act concertedly in that context, has been a significant force in the emergence of the 'Celtic Tiger'.

Of course, the republic is a member state and therefore is well placed to take advantage of the union's opportunities. But much of the thrust of this report has been to say that modern globalising economic trends, domestic pressures for political decentralisation and regional

lobbying in Europe have established a world where 'sub-national authorities' can potentially punch their full economic and political weight in a régime of 'multi-level governance'. It is really up to them.

The hope must be that such a focus on the external challenges Northern Ireland faces, rather than its internal demands, will spur a trend away from ideology towards pragmatism. This is already clearly the drift of much business criticism of the political class, especially its unionist members. (It is also, usually *sotto voce*, present in some southern political comment on the leadership of northern nationalism).

In addition to that external motor of change, however, internally the citizens of Northern Ireland need not wait for political accommodation to avail of European opportunities. Thus, Mark Brennock of the *Irish Times* writes about the IGC that "as the debate on the future shape of Europe continues, the absence of democratic structures in Northern Ireland, and the absence of a forum for debate on these issues, will minimise any effect Northern Ireland can have on decisions made".⁷ Or, rather, soberingly, he *wrote* that about the IGC—the 1991 treaty negotiations.

Yet this report has also emphasised how social movements have increasingly

sought to become a force on the European stage, often developing transnational links—the voluntary sector in Northern Ireland having been particular wise to these opportunities. Similarly, while the Northern Ireland Centre in Europe differs from the German *Länder* offices, for example, in not representing a democratic administration, that didn't stop it being set up and securing cross-party endorsement.

What is needed in the region is to develop a much more thick web of relationships *between* the various interests engaging in Northern Ireland with the European context, and with the intellectuals involved, the union institutions and other cognate interests—especially in the republic. This is part and parcel of the need to shift the European debate in the region from a focus on funding to a focus on policy. The challenge must be to create a mechanism for key actors in the wider society in Northern Ireland to be actively engaged in a debate about regional and social policy, in preparation for the new millennial context, in a manner which people in Brussels (if not always in London) can understand.

Here, the round-table which has provided so much intelligence for this publication provided an embryonic instance of what is required. What is needed is a more regular and formal forum, widely

'owned' by all those with a stake in the argument, with input from all the social sectors and elected representatives in Europe, facilitated by the European Commission, with access to intellectual and governmental support (including in Dublin), and with an open hand to involvement by interested players in the republic.

Such a standing Northern Ireland Forum on Europe could be a valuable complement to the work of the Northern Ireland Centre in Europe and provide a point of engagement with and for the many institutions in the republic involved in the Euro-debate. It could be a hot-house for the rapid cultivation of informed policy, a clearing-house for the sharing of experiences and ideas, and an open-house for dialogue with the region's representatives in the European Parliament and the Committee of the Regions, as well as representatives of the institutions themselves. The consultative forum established under the 'peace package' was a useful innovation, but its life will come to an end with the package itself.

The impact of the republic's engagement with the EU, as a member state, has not merely been about the moneys thereby secured. What has been acquired, more fundamentally, is a familiarity with the policy portfolio and the institutional architecture of the EU.

Perhaps even more important still, though least tangible, has been the rubbing off of a certain policy style—consensual and (at best) intellectually driven, rather than adversarial and ideological. All this is reflected in a highly Europhile public opinion at home and a reservoir of goodwill towards the republic in the wider EU.

It is here that a Northern Ireland Forum on Europe could make real strides. The aim should be to ensure the debate in the region about its place in the EU aims at the high level evident, and hopefully to be sustained, in the republic—rather than the low level which has been plumbed, hopefully reversibly, in the rest of the UK.

That this report should conclude thus may surprise some. Where are the demands for more Euro-funding? Where are the calls for assistance for this or that interest group?

In fact, what is being suggested here is something wholly more radical than this or that ameliorative (and unrealistic) demand. That is precisely the traditional stuff of the culture of complaint that passes for politics in Northern Ireland.

What is advocated here instead, under the searching spotlight of the irresistible demands of a dramatically

changing Europe, would amount to nothing less than a cultural and institutional transformation of the internal governance of Northern Ireland and its relationships with the rest of these islands.

Some years ago a Belfast critic, reviewing a season at the city's Lyric Theatre (under a previous régime), excoriatingly concluded that the Lyric Players had set themselves a standard of mediocrity and mostly they had achieved it. If 'Europe' tells us anything, it is that—in political as much as in artistic culture—Northern Ireland can no longer risk setting its sights so low. **DD**

Footnotes

¹ a distinction made by John Loughlin in his presentation to the QUB Institute of European Studies on the Committee of the Regions in November 1995

² Gary Marks et al, 'Competencies, cracks and conflicts: regional mobilisation in the European Union', in G Marks, F W Sharpf, P C Schmitter and W Streeck, *Governance in the European Union*, Sage, London, 1996, pp 42-3

³ Colin Wolfe (DG v), 'Social partnership at work', *Europe in Northern Ireland*, European Commission office in Northern Ireland, no 97, October 1996

⁴ Elizabeth Meehan and Paul Bew, 'Regions and borders: controversies in Northern Ireland about the European Union', *European Journal of Public Policy*, vol 1, no 1, 1994, p96

⁵ This observation was made by Paul Teague at a DD seminar, *The Economic Backdrop to the Constitutional Argument*, in Derry in March 1996.

⁶ A very senior former civil servant in the republic once confided to this writer that the then taoiseach, Liam Cosgrave, would have been prepared to accept the plea by the chair of the power-sharing executive, Brian Faulkner, that the Council of Ireland be sacrificed to save the power-sharing executive in the crisis of 1974, had it not been too late to do so. Asked why this should have been so, given the ideological investment by the republic's government in the council plan, he said that a calculation had been made, based on the numbers of civil servants in the two jurisdictions and the functions which the council could have, of how many officials might be required to staff it: it worked out at 44,000. This may have been a tendentious calculation—the point is that the mandarin mind had balked. As it happens, in any event each jurisdiction was so jealous of its 'sovereignty' that Dr Maurice Hayes, then the official working for the executive responsible for collating bids from north and south for matters to transfer to the council, frustratingly found that only a régime for protection of wild birds was volunteered by both sides—an ironic reprise of the fact that an act governing wild birds was the only legislation ever passed in the old Stormont parliament at nationalist initiative. See his *Minority Verdict: Memoirs of a Catholic Public Servant*, Blackstaff, 1995, p174.

⁷ 'No sovereignty, nothing to surrender', *Irish Times*, December 9th 1991

Recommendations

As with every other issue in Northern Ireland, the European agenda cannot be prosecuted adequately in the absence of progress in the wider political arena. And perhaps the most challenging issue raised by this report is that the debate as to how Northern Ireland should be governed usually takes place entirely outwith the wider debate on governance in Europe: it remains trapped in the language of 1920-22.

It thus not only fatally ignores the fast-changing competitive environment, within which, it should be remembered, Northern Ireland only stays afloat courtesy of the mighty Westminster subvention. It also misses out on a whole style of politics, with which Northern Ireland could not only raise itself from the bottom end of the regional league table but also assist in the resolution of its own governance crisis—and the two are interrelated. Here, the Northern Ireland Economic Council has opened up a

crucial debate with its valuable work on decentralised governance and successful European regions.

The fundamental lesson of this report is that Northern Ireland's future in Europe is at best a challenging and at worst a very difficult one. The benign scenario can only be elaborated through conscious action, cognisant of the changing European environment, as part of an emerging 'culture of commitment' and backed by the necessary political will. As a result, the recommendations which follow are directed to a range of actors and require a raising of horizons beyond sectional or sectoral concerns:

1. Northern Ireland forum

To begin to cohere an autonomous regional voice in Europe, a Northern Ireland Forum on Europe is required, drawing together the employers, farmers, trade unions and voluntary sector, along with the MEPS and delegates to the

Committee of the Regions, the Northern Ireland Centre in Europe, intellectual support and representation from the European Commission. This could be initiated by the NICE as a neutral broker but it would be desirable that ‘ownership’ be shared. The forum should establish an agreed statement of broad goals of Northern Ireland’s engagement with the EU. Its ongoing work should air in the public domain topical European concerns, with an emphasis on collaboration and pragmatism in how they should be addressed. It would give the MEPS and representatives on the Committee of the Regions more public recognition and raise broader awareness of the issues at stake. And by including representatives from the border counties in the republic—in line with the ‘peace package’ forum—it could add a cross-border dimension.

2. Governance seminars

The government should initiate a series of seminars for the parties in Northern Ireland, chaired and facilitated by the NIEC, on the theme of governance, teasing out the parameters of successful regional régimes in Europe. Utilising invited political practitioners from across the continent, as well as academics, and bringing in Northern Ireland social actors as appropriate, these should also freely involve Irish government

representatives and other players in the republic. Themes to highlight would be the significance of political concertation and trust, the role of non-governmental organisations and the potential of inter-regional co-ordination. The aim would be to explore the application of these ideas to Northern Ireland, and to north-south co-ordination, in a collaborative fashion.

With, at the time of writing, the political talks at Stormont threatening to go into cold storage, until the Westminster election at least, this could provide a means, perhaps for a new government, to inject fresh energy and ideas into an otherwise stale debate, while building on the way the Northern Ireland ‘G7’ group of business and union organisations has already engaged with the talks parties. It might provide a simultaneously more stimulating and less threatening avenue through which that debate could be approached, as well as orienting it towards leading-edge practice in Europe and to practical outcomes.

3. Party spokespersons

Each of the Northern Ireland parties, in so far as they have not already done so, should designate a spokesperson on European affairs and ensure they enjoy adequate research back-up and proper liaison with any representatives in the European Parliament or on the

Committee of the Regions. Such spokespersons should familiarise themselves with the perspectives of social interests outside the party-political world and with the wider European debate as it applies to Northern Ireland. There should be considerable scope for informal cross-party dialogue in this regard.

4. Policy community

The quality of European debate in the republic highlights the need for a policy community in the north of adequate understanding and critical mass. The establishment of the Institute of European Studies at Queen's University is a welcome initiative in this regard. It is crucial that it receives the support required—especially financial—from government and other interests if it is to develop its role to the full, like the Institute of European Affairs in Dublin. The two institutes should themselves do all they can—through joint conferences, publications and exchanges—to maximise cross-fertilisation of ideas and experiences and to throw up ideas for north-south co-ordination.

5. Government unit

Within government, the Department of Finance and Personnel tends to have the lead role on matters European, driven as these have been in the past by issues of

funding. But as this report has argued that the focus should shift from funding to policy, what is really needed is a strategic policy unit at the heart of government, in the Central Secretariat, covering the broad gamut of matters European. It should be sufficiently high-powered to develop an intelligent and strategic dialogue with senior officials in the Department of Foreign Affairs and other departmental officials in Dublin, and with the European Commission and other EU structures—this report makes clear that on many issues, notably the framework document proposals, thinking is disturbingly woolly and requires considerable fleshing out. There should be a willingness to abjure traditional civil service hierarchies in recruitment to this unit to bring in talent from outside—including the voluntary sector, for example, or individuals with experience working in or for EU institutions.

6. Funds evaluation

A particular task for such a unit should be to supervise an evaluation of the experience of the structural funds and the 'peace package' to date, with a view to determining how the associated programmes and practices could supersede, amend or inform programmes already funded by government. This would accept that the current fiscal climate allows

little or no scope for additional commitments; rather the aim would be to use the lessons of experiment at the margins to innovate in the mainstream.

7. nicva unit

The Northern Ireland Council for Voluntary Action already has its own excellent European affairs unit. It would be highly desirable if the other social sectors could 'buy into'—including a financial contribution and an associated managerial stake—this unit, so that it could provide an extended resource for all the social partners. It would make considerable sense if part of its role was then to act as a secretariat for the Social Partners' Forum, which could thereby be put on a more robust footing.

8. North-south agenda

There could also be a more concerted exploration of the north-south agenda in this context. Currently the private and voluntary sectors and those concerned with the work of reconciliation tend to plough different furrows. DD hopes to mount a further round-table later in the year, involving all these players on either side of the border, on the practical institutional requirements of maximising north-south co-ordination. The focus should be on how, reinventing itself as a highly autonomous European region,

Northern Ireland could exploit that autonomy to the full in optimising north-south synergies—and how the various existing actors already working in the field can prefigure such arrangements.

9. Belfast-Brussels direct

If Northern Ireland's semi-detachment from the European Union is to end, direct links must at some point be established between Belfast and Brussels. Existing travel arrangements via London, Dublin or Schiphol are unsatisfactory and the Department of Economic Development should commission a feasibility study into existing *and potential* demand for a Belfast-Brussels air link. The business community, through the Confederation of British Industry and the Institute of Directors, should engage in a concerted search for an airline willing to take on the service. Were this research to indicate that there would be a need to loss-lead for a time, then there should be investigation of whether a combination of public and private finance could be assembled as a bridge. The approach must be that what is a long-term inevitability must not be endlessly postponed by considerations of short-term viability.

Broadcast and newspaper editors in Northern Ireland should similarly consider, assisted by the Northern Ireland Centre in Europe, whether they could in

tandem establish a common Brussels facility. This would clearly not be a commercial decision but would be of overarching public service. Normal considerations of competition need hardly apply in this area. A collectively funded Brussels office could achieve a high standard of coverage not otherwise affordable individually. A step towards that would be for the newspapers commonly to pay a stringer. At home, specialist journalists should be developed through sabbaticals, either spending a period working in Brussels or taking the masters in European integration at Queen's.

This report began with the problem of the impenetrability of Eurospeak. It has concluded with a series of recommendations which, were they all to be effected, would mean Northern Ireland would acquire a coherent, autonomous, institutionalised voice in the European Union. It would speak a language Europe understands and be heard where it matters. While it would be a voice with a distinctive Northern Ireland accent, it would be in concord with other voices on this island. Perhaps above all, it would represent not a discordant cacophony but the pleasing output of an orchestra of diverse players. **DD**