Tresspassing on Borders? The European Community and the Relationships between Northern Ireland and the Irish Republic: A Test of Neo-functionalism

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Chapter One

The European Community and the Irish/Northern Irish Cross-border Relationship: Theoretical Framework

Introduction

Meandering for 400 kilometres, the Irish border demarcates the line between Northern Ireland and the Republic of Ireland. It is a fine line which cuts through villages and towns. Like many land borders, there is scarcely a difference apparent between the 'black slanting' hills of Donegal and those which frame Derry/Londonderry, nor between the quiet melancholy of Monaghan and that of Omagh. Yet the conflict in Northern Ireland has both reflected and reinforced the significance of the land border, making it more than a physical line, but a line which represents deep and old political division. The result of this division is that there has been only limited economic cross-bordér co-operation and even less political co-operation. The aim of this thesis is to examine the effect of the European Community upon the economic and political relationship between Northern Ireland and the Republic of Ireland, that is upon the Irish/Northern Irish cross-border relationship.

In examining the EC's effect upon the Irish/Northern Irish cross-border relationship, the theoretical aim is to test the validity of neo-functionalist theory of integration in the Irish/Northern Irish case. Neo-functionalism proposes that the existence of common economic interests leads to economic co-operation between neighbouring regions. Such economic co-operation then leads to political co-operation, even between regions which have experienced historic political tensions. Northern Ireland and the Republic are examples of such regions. Moreover, they have been members of the EC since 1973. The questions addressed by this thesis are whether there is evidence that the EC has increased economic co-operation between these two regions and whether or not any resultant economic co-operation has led to political co-operation.

The impetus for this study was derived from the resurgence of neo-functionalism as result of the ratification of the Single European Act in 1987. This act included specific policy changes which were particularly relevant to the Irish/Northern Irish cross-border relationship. For example, the move towards the creation of a Single European Market implied a degree of policy harmonisation between EC states and aimed to abolish economic boundaries between states. By implication, the border between Northern Ireland and the Republic would also be the object of harmonisation policies.

Moreover, because the creation of a single market would accentuate the economic difficulties experienced by weaker economies in the EC (NESC, 1989, p. 526), the Single Act included the provision for a significant regional policy reform. The subsequent 1988 reform entailed the identification of the weakest regional economies in the EC and pledged to concentrate an increased amount of EC regional aid upon a small number of most deprived areas. Both the Republic and Northern Ireland were identified as priority regions and successful applications for regional aid in order to pursue a given project would receive a maximum of 75 per cent of total cost.

EC money was also provided specifically for cross-border programmes which would be implemented by two adjoining regions of two EC states. Until 1993, Northern Ireland was the only priority, so-called Objective One, region within the United Kingdom. Automatically, the Republic and Northern Ireland were perceived by EC policy makers to share common economic interests. The EC appeared to be willing to provide economic incentives for cross-border co-operation on the basis of these interests.

According to neo-functionalists, these common interests will lead to increased economic cross-border co-operation, which, in turn, will lead to increased political co-operation. Politicians also emphasised that the Single Act of 1987 and the 1988 regional policy reform had significant implications for the Irish/Northern Irish cross-border relationship. For example, John Hume, leader of the nationalist Social Democratic and Labour Party (SDLP), has emphasised the anachronistic nature of the conflict in Northern Ireland in the new Europe of the regions.[1] Charles Haughey, then Irish Taoiseach, emphasised the economic logic of increased cross-border co-operation in the new SEM.[2]

In this way, the case of the Northern Irish/Irish cross-border relationship is not a case apart in EC politics, but rather is a critical test-case of neo-functionalism. The conflict in Northern Ireland and the poor relationship between Northern Ireland and the Republic are obstacles to the attainment of full European Union. As long as two regions, no matter how small, are in conflict, the validity of integration theory and the success of the European Community are limited. The

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[1] Hume, J., (1989), interview, RTE radio, *News at One*, 12. 11. 1989.

[2] Haughey, C. J., speech to Fianna Fáil Ard Fheis (Annual Conference), March 1991.

aim of this thesis is to determine whether or not the move towards a Single European Market and EC regional policy reform have increased economic and political cross-border co-operation between Northern Ireland and the Republic. Can neo-functionalism be validated by the development of the cross-border relationship in Ireland, or does the evidence provided by this relationship falsify neo-functionalist assumptions? That is the core theoretical question of this thesis.

The time frame used to answer this question is the relatively short period from 1988 to 1993. This period is examined, because it marks the initiation of the aforementioned EC policy changes. However, in chapter two, empirical evidence is provided of the uncooperative Irish/Northern Irish economic cross-border relationship which existed for the period 1925 to the 1980s. The possibility is highlighted that this political relationship was changing because of the Anglo-Irish Agreement, which was signed by the British and Irish governments in 1985.

In subsequent chapters, the degree of co-operation between key actors on both sides of the border from 1988 to 1993 is determined. The behaviour of civil servants (chapter four), economic elites (chapter five), members of the European Parliament (EP) (chapter six) and local councillors (chapter seven) is of key concern, because these sub-national actors are important actors in the domestic environment of Northern Ireland and the Republic. The specific policy sectors which I examine are those where common economic interests are perceived to exist, namely, agriculture, tourism and transport.[3]

In chapter three, the role of EC institutions in increasing Irish/Northern Irish cross-border co-operation is examined. The policy changes of 1988 are discussed in greater depth and then the response of the European Parliament and the European Commission to the conflict in Northern Ireland and to the weak Irish/Northern Irish cross-border relationship is determined. All of these case study chapters (three, four, five, six and seven) are based upon interviews which were conducted between 1991 and 1993 with relevant actors. Reports, texts and EC documents were also used. In conclusion, an analysis of the case study findings in the light of neo-functionalist theory is provided.

In this chapter, the rationale for embarking upon a study of the Irish/Northern Irish cross-border relationship is provided. In section

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[3] See Appendix 1.

one, neo-functionalism is examined in greater depth and it is shown how neo-functionalism is, at heart, concerned with managing and containing conflict and assumes that although conflict is inevitable, European peace and integration is not. Neo-functionalism is thus, central to the conflict in Northern Ireland and to the cross-border relationship. In section two, attention is paid to the meaning of co-operation and the relevance of its application to the Irish/Northern Irish relationship. Also in section two, it is shown that the Anglo-Irish Agreement (AIA), which was signed in 1985, may be the main influence upon the cross-border co-operation, as opposed to the EC.

Consequently, in section three, the concept of coercive consociationalism is examined as an explanation of the AIA and as a theory which is relevant to the Irish/Northern Irish cross-border relationship. It is shown how coercive consociationalism and neo-functionalism complement each other, but are based upon different assumptions. In section four, the various hypotheses which international relations theory provides are summarised and different predictions as to how the EC has affected the cross-border relationship for the years 1988 to 1993 are laid out.

i. The Irish/Northern Irish Cross-border Relationship: A Critical Test of Neo-functionalism

The existence of conflict in Northern Ireland and the closely related weakness of the cross-border Irish/Northern Irish relationship is an obvious hindrance to European integration. It also poses questions for integration theorists. Such theorists have sought to determine the path to peaceful change. This concern for maintaining peace and for healing old wounds is often lost in various descriptions of the technicalities EC policy and institutions. Before neo-functionalism is examined, it is necessary to highlight its roots, so as to isolate its fundamental concern, attaining peace. This concern makes neo-functionalism of key relevance to the Irish/Northern Irish cross-border relationship.

The intellectual pre-history of neo-functionalism

Neo-functionalism attempts to grapple with the ancient problem of conflict. However, it is but a descendent of an equally old debate between idealists and realists. Older studies provide a necessary perspective and enrich an appreciation of the more modern theories of co-operation. Indeed, it is these older theories, written with a sense of immediacy in the aftermath of war, that transform the study of cross-border co-operation in one small region into a question of universal significance: What are the causes of war and peace? Thus, neo-functionalists are concerned not simply with determining what increases co-operation between states, but, more fundamentally with what prevents the outbreak of war. In the Irish/Northern Irish case, then, neo-functionalists are concerned not simply with increasing co-operation between the two regions, but with the question of how to resolve the existing conflict in Northern Ireland and how to prevent the spread of such conflict across the border at a later date.

Thus, international relations theorists, including neo-functionalists, attempted to explain these wider problems of war and conflict. These explanations fell into two schools: idealism and realism. Neo-functionalism is the modern day branch of the idealist school. The first idealists date back to the early seventeenth century, but they are perhaps best remembered for stimulating the creation of the League of Nations in 1923. The basic premise upon which idealists based their case was that humans do not want to go to war and that war between states can be avoided through the use of international arbitration and the rule of law. If states have an institution to which they can turn in the event of perceived injustice, then interstate conflict can be channelled through peaceful means towards a resolution.

Idealism's zenith appeared to be in 1928, when the General Treaty for the Renunciation of War was signed at Locarno. It appeared that there was then a means of independently adjudicating all international disputes. However, the collapse of the League of Nations, heralded infamously by Italy's invasion of Abyssinia in 1936, provoked a realist backlash amongst analysts of international relations.

The basic realist assumption was that conflict was inherent in human life. Politics was said to be governed by objective laws which had their roots in nature. The basic law approximates to the Hobbesian view where every individual fears that the other will attempt to attack

him/her. Consequently, each individual builds up his/her own defences. In international politics, this defence entails the maximisation of state power in the international system. International law "is divorced altogether from ethics ... It is an expression of the will of the state and it is used by those who control the state as an instrument of coercion against those who oppose their power" (Carr, 1981, p. 176).

For realists power was anything that established and maintained an individual state's control over other states. In practice, realists argued that effective power was military force. Moreover, the pursuit of power served each state's interest. It was the individual self-interest of states which was said to dominate international politics: "An Englishman never forgets that the nation which lets its duty get on the opposite side to its interest, is lost" (Shaw, quoted in Carr, 1981, p. 94). There was a pessimistic view of human nature in the realist argument and acceptance of the inevitability of war.

Applying the realist argument to Northern Ireland and the Republic, the proposition would be that the conflict in Northern Ireland, whilst ostensibly about constitutional status and whilst reflecting the insecurity of all communities on both sides of the border, is fundamentally about the pursuit of power. The existence of paramilitary violence, according to realists, would be an attempt to achieve political aims, but would, on a deeper level, also be a battle between two communities who seek to maximise their own power (that is, to enforce their will upon UK and Irish decision makers) vis-à-vis each other. Consequently, international law, or indeed any attempts to reassure unionist and nationalist extremists, must fail to resolve the conflict, because the motivation for that conflict is the raw pursuit of power. International arbitration through the rule of law is largely irrelevant to this conflict and to its resolution. Similarly, international arbitration would not facilitate a more co-operative cross-border relationship, for actors on both sides of the border would themselves be involved in a power game, where co-operation would entail a concession and a loss of relative power.

In the aftermath of a Second World War, the ideological pendulum swung, perhaps paradoxically, to the idealist belief that war was not inevitable. Functionalists and neo-functionalists provided a different analysis for the existence of conflict. It is of course the latter which are of key concern to this thesis.

The realist argument was more persuasive. History seemed to uphold the tenet that war was a natural part of the human condition and that it was impossible to alter state preferences so as to avoid war. In short, realism was a status quo argument, whilst idealism sought to change the status quo, and idealists believed that a peaceful world which could survive in the long run was not an impossible hope. Modern day idealists met this realist challenge by developing a more sophisticated notion of power. Functionalists developed this notion first and neo-functionalists, whilst adhering to a more realistic analysis of conflict, built upon core functionalist ideas later. Consequently, it is essential to describe not only neo-functionalism, but also functionalism.

Functionalists argued that the absolutist notion of power which was used by realists was not applicable to the post war world. Power was not uniform for one country across all spheres of its activity. Instead, each state was in an environment where *complex interdependence* existed. In this new world, a multiplicity of transactions and a multiplicity of issues existed. The large number of transactions existed not simply within states, but also across states. The large number of important issues meant that states could not simply pursue one interest, such as power maximisation, at the expense of other states, but that they had different goals depending on the specific issue at stake (Keohane and Nye, 1981, p. 126).

The critical factor in examining complex interdependence was economics. The growth of trade meant that states depended on the prosperity of each other, if they were to develop markets abroad. Consequently, an individual state's economic well-being depended upon other states enjoying economic growth. Economic power could not be pursued at the expense of other states, but, in fact, could be achieved only if other states grew economically. Power was not zero-sum.

Moreover, power was not uniform. Some states might enjoy economies of scale in car manufacturing, whilst others might have a comparative advantage in high technology. There was a multiplicity of sectors, or issues, and some states predominated in some of these sectors, but other states predominated in others. This functional differentiation within and between states implied that states were equal

overall, because no one state could have a preponderance of power across all sectors (Mitrany, 1943, p. 60).

The multiplicity of transactions between states and the existence of various sectors of activity also had implications for the realist assumption that the state was a uniform actor. In contrast to this realist assumption, functionalists argued that the state was made up of different functions, which cross-cut official governmental power. Whereas even in a federal system of states authority is linked to a regional territory, in the complex environment, authority was specified in accordance with function. Thus, the Schuman Plan in 1950 organised states so as to manage coal supplies. The function determined the organisation and individual state power took a back seat to the functional requirement of coal management. No constitutional territorial arrangements were needed to achieve integration.

Functionalism posited that the state's authority would be determined by practical requirements. For states which possessed a shared group of functions, for example, the management of coal, co-ordinating agencies would be established. The functionalist argument was that, through a natural process whereby citizens came to share functions and developed a multiplicity of contacts, the existence of state boundaries and the raw pursuit of individual power would diminish. Citizens, bureaucrats and politicians all had a role to play in overriding state boundaries, but, above all, it was the citizens which would dominate the erosion of the state: "Society will develop by our living it, not by policing it" (Mitrany, 1943, p. 97). War would be made obsolete.

The predominant role to be played by citizens in the pursuit of integration and the diminished emphasis placed upon constitutional arrangements was a key mark of functionalist thought. For Karl Deutsch, integration was marked by the existence of mutual sympathies between people, by a "we feeling", by trust and by mutual co-operation (Deutsch, 1957, p. 36). This feeling was caused initially by social mobilisation, in turn caused mainly by the mass media, literacy, urbanisation and internal migration (Deutsch, 1969, p. 22). The increase in transactions between these people erodes the state boundaries which divide them and creates a multiplicity of functional boundaries:

> What lies within a set of multiple boundaries is a region. If the boundaries are intense, if a common political machine governs

> the whole areas within them, we speak of the region as a country ... (Deutsch, 1969, p. 101).

The erosion of boundaries would occur when their intensity lessened because of an increase in the number of cross-cutting transactions. Functionalists examined the potential erosion of boundaries closely. Integration was defined, as above, as "the attainment within a territory of a sense of community and of institutions and practices strong enough and widespread enough to ensure for a long time dependable expectations of peaceful change" (Deutsch, 1957, p. 5). The "true task of peaceful change" was "to remove the need and the wish for changes of frontiers" (Mitrany, 1943, p. 101). The growth of cross-cutting functional boundaries would permeate territorial boundaries and make such peaceful change possible.

The relevance of functionalist thought to the Irish/Northern Irish cross-border relationship should be obvious. According to functionalists, both economic and political co-operation could occur between communities in Northern Ireland and between communities on both sides of the border, because of the existence of complex interdependence. Because power is not necessarily zero-sum, because each community's economic well-being depends on the other, and because the significance of the border between Northern Ireland and the Republic is to be gradually eroded by economic interactions between people at grass root level, then over time the political conflict which divided nationalists from unionists and Northern Ireland from the Republic should cease to exist.

The main problem with functionalism is that events continually challenged its validity. The failure of the European Defence Community (EDC) in 1954 and the nationalist stance of France, under Charles de Gaulle, provided ample evidence that an integrated Europe of six would not easily occur. However, idealists were undaunted and neo-functionalists attempted to refine the functionalist argument in the light of the EDC's fate.

Neo-functionalists differed from idealists in an important respect. In contrast to idealists, neo-functionalists accepted that conflict was inherent in human nature and thus in international relations. However, unlike realists, they believed that state preferences could be altered so that they would wish to avoid war. Consequently, even in the presence of conflict, co-operation and peace were possible. Because of

the neo-functionalist emphasis upon the ability to alter state preferences so as to manage conflict and because of neo-functionalism's similarity to functionalism, I am treating neo-functionalism as a category of idealist theory.

The functionalist assumption of complex interdependence was maintained by neo-functionalists. However, neo-functionalists abandoned the functionalist argument that the popular level of society could cause change. Neo-functionalists emphasised the significance of political and economic *élites* in causing integration and the necessity for central political institutions to harness these elite activities and provide the dynamism to create a *federal* region.

The concept of spillover was central to the neo-functionalist argument. The distinction between high and low politics was taken as a starting point. High politics referred to questions of national defence and security (Hodges, 1972, p. 24). It was in this area that functionalist logic had failed so dismally in 1954. Low politics referred to the economic aspects of policy making. Whereas it was difficult for states to agree upon a European Defence Community, economic co-operation was perceived to be politically neutral and less contentious. However, with the expansion of the welfare state, low politics had come to dominate state policy to an unprecedented degree by the late 1950s in industrialised West European states.

The expansion of low politics meant that, in fact, even economic policy necessitated political activity. Thus, neo-functionalists argued that functional economic co-operation in areas where little conflict existed would spillover to political co-operation. Economics would permeate political realms and the distinction between high and low politics would become blurred. The mechanism which would cause this spillover was described by the early neo-functionalists as follows.

Eventually, so neo-functionalists argued, demands would be made by interest groups (whose members would all possess common interests) that central supranational institutions be established to manage the vast array of joint economic tasks. Interest groups were assumed to be pivotal to the integration drive:

> Integration proceeds most rapidly when it responds to socio-economic demands from the industrial urban environment, when it is an adaptation to cries for increasing welfare benefits born of a new type of society (Haas, 1970, p. 102).

Indeed, according to one neo-functionalist, much pressure for the development of the European Community originated in the business communities of the founder states. These communities influenced their political leaders and an elite socialisation process in favour of deeper integration occurred. Through these interest groups, economic co-operation spilled over to political co-operation and, according to neo-functionalists, central political institutions became the driving force of Community formation (Harrison, 1978, p. 254). To this end, the European Social Council (ESC) was set up to represent national interest groups in European umbrella organisations.

Once formed, the supranational institution was to provide an underlying dynamism for the integration process. Ernest Haas described the key purpose of the central institution as that of "upgrading common interests" (1970, p. 96). It is this element which is most central to this thesis. Haas outlined three types of compromise in a bargaining situation.

- The first type was to find a minimum common denominator. The common denominator outcome is not efficient, because the outcome is so diluted as to make it meaningless (Haas, 1970, p. 93).
- The second type of compromise is accommodation by bargaining. Such accommodation does not satisfy either party fully, because both sides have to sacrifice (ibid).
- The third type is accommodation by the upgrading of common interests. This type is a feature of an integrative process. Unlike the second type neither side has to sacrifice, because all sides gain (ibid). In fact, strictly speaking, the upgrading of common interests does not represent a compromise at all.

The existence of a central institution is vital, according to neo-functionalists, so as to mediate and upgrade common interests between interest groups and states. The central institution's interaction with national agents was also to be used as a measure of integration. Integration for neo-functionalists was less a condition and more a *process*. This process was to be measured by the degree to which national groupings transferred authority and legitimacy from the national state to the supranational central institution (Lindberg and Scheingold, 1972, p. 291). The goal of the integration process was the attainment of a federal union of states.

Neo-functionalist theory can be applied to two levels of analysis: the formulation of EC policy and the effect of that policy upon

domestic actors. Firstly, neo-functionalism may be used to explain the creation of the EC itself and the formulation of new EC policies. Interest groups are fundamental in causing the emergence of the EC and in demanding the formulation of new EC policies. For example, the Single European Act was seen to represent the will of interest groups, acting through their national representatives in close co-operation with the Commission. The deregulatory provisions of the Act were in the interest of certain European business sectors. Loss of competitiveness in the 1970s made the prospect of a European strategy alluring, so as to create free trade and expand markets.

In 1981, a group of information technology firms met with the internal market commissioner, Etienne Davignon, and formed the Thorn-Davignon Commission, which "reportedly discussed market liberalisation" (Moravcsik, 1992, p. 44).[4] In 1983, a round table of European industrialists was founded by the chief executive of Volvo. Commission members were also represented on this round table and it remained in place after the signing of the SEA, so as to ensure that the Act's provisions would be implemented (ibid). Indeed, the background to the SEA has been compared to that of the formation of the ECSC, where likeminded élites became committed to a European strategy: "Major businesses have allied with the Commission to persuade governments, which were already seeking to adapt to the changed international structure" (Sandholtz and Zysman, 1989, p. 118).

Secondly, neo-functionalism may be used to account for the effect of EC policy upon key domestic actors by explaining how the EC 'upgrades common interests'. According to neo-functionalists, the potential effect would be as follows: The formulation of new EC policies, in particular the SEM and the reform of EC regional policy, would increase the number of common economic interests shared by élites in Northern Ireland and the Republic. These interests would provide a basis for increased economic co-operation. However, as economic co-operation increased then so too would the demands of these élites for overarching co-ordinating political structures, that is for political co-operation. In the context of the conflict in Northern Ireland, the demands for overarching political structures would be preceded by

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[4]Moravicsk, Sandholtz and Zysman and Garrett are associated with the intergovernmental institutional school of integration theory. However many of the examples I cite here from their work echo a neo-functionalist perspective. Consequently, I cite them here in my section on neo-functionalism

communication and meetings between politicians from Northern Ireland and the Republic. This is also a form of political co-operation. For neo-functionalists, such political co-operation on the basis of economic co-operation is possible.

The focus of this thesis is not upon the formulation of EC policy. The question of whether Irish/Northern Irish interest groups influenced the formulation of the SEA level is not of concern. What is of concern is how EC policies, once formulated, have affected the behaviour of domestic actors so as to increase Irish/Northern Irish cross-border co-operation. This study of cross-border co-operation is particularly necessary because neo-functionalists have paid scant attention to the effect of EC policy on domestic politics. The emphasis of integration studies by all integration theorists, not simply neo-functionalists, has been placed upon the reasons for the *formulation* of the Single European Act not upon the *effect* of that Act upon domestic élites (see, for example, Garrett, 1992; Keohane and Hoffmann, 1992; Moravcsik, 1990; Sandholtz and Zysman, 1989).

The absence of empirical research around the subject of the SEA's impact upon domestic actors causes a doubt as to whether or not the Commission increases the number of common economic interests between domestic actors. Moreover, there are three other key 'question marks' over neo-functionalism as an explanation or predictor of the Irish/Northern Irish cross-border relationship:

First, Unionist/Irish co-operation may have existed before membership of the EC or before the signing of the Single Act.

Second, there is evidence that co-operation appeared to exist between the SDLP and Irish policy makers before the signing of the Single Act.

Finally, the AIA and not the EC may have increased co-operation, during the time frame of this study.

The first two doubts can be dismissed by examining the concept of co-operation. Consequently, in the next section, this concept is examined so as to determine the applicability of neo-functionalism to the Irish/Northern Irish cross-border relationship. The role of a third factor, the Anglo-Irish Agreement will be identified as crucial to an understanding of the cross-border relationship and to an examination of the EC's effect upon co-operation.

ii. Co-operation and The Northern Irish/Irish Cross-Border Relationship

The reason the Northern Irish/Irish cross-border relationship is an ideal test of neo-functionalism is precisely because that relationship has not been a co-operative one (chapter two). Neo-functionalism attempts to explain how such an unco-operative relationship can alter on the basis of common economic interests. It is essential to define the meaning of co-operation, before describing why the Northern Irish/Irish relationship can be described as unco-operative and consequently, before examining whether or not co-operation has increased. Similarly, a definition of co-operation clarifies how neo-functionalism might be applied to the Irish/Northern Irish cross-border relationship in practical terms. In short, what exactly does co-operation mean and what can be expected as evidence of cross-border co-operation? It is also essential to identify other factors, apart from the EC which may have caused or which may reflect co-operation long before the Single European Act was born. In the next sections, I deal with both these tasks.

The Meaning of Co-operation

Perhaps the most useful definition of co-operation is provided by Taylor. Co-operation is:

> A limited involvement of states in joint enterprise, limited in both scope and duration and focused upon a specific, predetermined objective (Taylor, 1978, p. 124).

For example, the agreement to administer jointly a cross-border land drainage project is an example of co-operation. This agreement entails a process of negotiation, of mediation and of arbitration between actors (ibid). Communication is of key importance. Consequently evidence of joint meetings and of increased communication flows between actors is also evidence of co-operation. The different types of co-operation can be listed:

1. Joint meetings
2. Joint studies
3. Informal contacts: phone calls, letters etc.

4. Formulation of and agreement upon joint programme
5. Administration of joint programme.
6. Development of further joint programmes
7. The establishment of institutions to administer current and future joint programmes

The existence of common interests in itself does not imply co-operation. For example, a joint drainage programme may save communities on both sides of the border money. Economies of scale exist so that the infrastructure used to drain a large area on both sides of the border is more cost efficient than if it were used for a smaller area. Moreover, actors on both sides of the border share the cost of equipment and so that cost is spread. There is a common benefit to be gained by cross-border co-operation. However, unless actors recognise this benefit and act upon their recognition, co-operation does not occur.

Co-operation begins when actors recognise their common interests and communicate with each other on the basis of these interests. The agreement to administer and finance a joint programme is to be found in the centre of the continuum. Co-operation does not necessarily stop at that point. Co-operation, according to Taylor's definition, refers to one limited area, however, co-operation from one fixed area may lead to co-operation in other areas. The existence of one joint programme may lead to others in other sectors. Because actors have communicated with each other, they may discover that they have other common interests. For example, they may feel that they would both benefit from better road links between the two areas.

The existence of co-operation on economic matters may lead to an agreement to set up overarching administrative structures which represent joint authority over the two areas for specific functional tasks. The establishment of the European Coal and Steel Community, for example, is an example of such joint administration. At this point, political co-operation occurs. The economic and political significance of the border is less. In other words a process of integration is underway. Integration theory attempts "to explain the tendency towards the voluntary creation of larger political units each of which self consciously eschews the use of force in the relations between participating units" (Haas, 1970, p. 108).

It is clear that 'the voluntary creation of larger political units' is not particularly problematic for constitutional nationalists in Northern Ireland, who seek to be part of a larger political unit which covers the 32 counties of Ireland, but who seek this aim through peaceful or voluntary means. If cross-border co-operation contributes to this peaceful aim, it would not be surprising if constitutional nationalists supported such co-operation. Clearly, the finding that a Northern Irish moderate nationalist hill farmer is co-operating with hill farmers in the Republic is less surprising than the finding that an extremist unionist hill farmer is doing so.

The argument that co-operation has a different meaning depending upon whether or not it refers to unionists or constitutional nationalists is based upon the fact that a unionist hill farmer (to use the above example) has a political objection to cross-border co-operation, because this farmer fears the creation of a Catholic 32 county state where his/her unionist rights would be undermined (see p. 18 and pp. 40-41). For him/her, cross-border co-operation by developing links with the Catholic Republic of Ireland may be a first step on the road to Irish unification.

In other words, for the unionist there is a conflict of interests between his/her political beliefs and the existence of economic cross-border co-operation. Similarly, for an extreme nationalist who espouses the use of force, as opposed to using constitutional means, there may also be a conflict of interests. Even if cross-border co-operation is not politically antagonistic to nationalist thought, its connection to peaceful and gradual change may not be satisfactory to those who favour sudden and violent change.

Thus, both unionists and extreme nationalists perceive that cross-border co-operation undermines one or more of their interests, or signifies a loss. This perception of loss, this existence of a conflict of interest is what makes the concept of co-operation meaningful. Co-operation is about the resolution of conflict. It is an empty term if no conflict existed in the first place. Co-operation is a process which uses discord to stimulate mutual adjustment (Keohane, 1984, pp. 51-52). Clearly, in this thesis the focus is upon the relationship between those agents who are not enjoying a harmonious political relationship, namely, unionist agents, agents in the Republic of Ireland and extreme nationalists. The task of integration theorists is to explain how actors who have conflicting *political* interests can achieve economic and

political co-operation. As is shown above, neo-functionalists attempt to answer that question. The Irish/Northern Irish cross-border relationship provides a practical case study.

Co-operation and The Irish Cross-Border Relationship [5]

The reason the Irish/Northern Irish cross-border relationship is an ideal case through which to examine neo-functional theory is because that relationship has not enjoyed close co-operative relations and because a political conflict of interests has overshadowed the cross-border relationship. If neo-functional theory is to be validated, then this absence of political co-operation should not prevent the emergence of economic or so-called *functional* co-operation, should the number of common economic interests shared by the two areas increase. Furthermore, this economic co-operation should resolve political conflicts of opinion.

The cause of the unamicable Irish/Northern Irish cross-border relationship was ostensibly the division between unionists in Northern Ireland, who wished to remain within the United Kingdom, and nationalists, who demanded that Northern Ireland become part of the Republic of Ireland (see chapter two). For unionists, cross-border co-operation implied that Irish policy makers, with the support of the Catholic minority in Northern Ireland, would achieve Irish unification 'through the back door'. Cross-border co-operation was one step on the slippery slope to Irish unity. In these ways, the cross-border relationship was an integral part of the internal conflict in Northern Ireland between unionists and nationalists. Cross-border co-operation was a value laden term. For this reason co-operative endeavours were few.

On a deeper level, the tense relationship was caused by the insecurity of actors on both sides of the border, in particular of unionists, that their identity was threatened by the other side. Thus, unionists feared that the Republic aimed to force Northern Ireland to be part of a 32 county Catholic Ireland.

At the same time policy makers in the Republic made no effort to reassure unionists that Irish intentions were not irredentist. The Irish

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[5] The history of the cross-border relationship will be examined in greater depth in chapter two.

constitutional claim that Ireland consisted of the thirty two counties remained, as did specific provisions in the Irish constitution (Bunreacht na hEireann) which unionists perceived to be Catholic and thus discriminatory (see chapter two). These factors provided evidence for unionists that Catholics in both Northern Ireland and in the Republic were part of a conspiracy to erode Protestant unionist identity in a Catholic Ireland. Cross-border co-operation was part of this papish plot. There was, thus, a clear political division between unionists and Irish policy makers. However, in order to examine the Single European Act's impact upon the cross-border relationship, it is essential to show that that relationship was not co-operative before 1987.

The argument that the EC may increase cross-border co-operation in the midst of this political division obviously assumes that no other development has been affecting the level of co-operation in the cross-border relationship. In fact, there are examples which appear to indicate that co-operation was occurring, or could occur, for reasons which had little to do with the EC. For example, in 1965, twenty years before this study begins, the Irish Taoiseach, Seán Lemass, met with his Northern Irish counterpart, Terence O'Neill, to discuss cross-border co-operation (a joint meeting). Moreover, the nationalist SDLP in Northern Ireland has been in close contact with Irish policy makers throughout the 1970s and 1980s.

Similarly, the signing of the AIA in 1985 provided for economic, functional co-operation between Northern Ireland and the Republic. This agreement was signed by representatives of the British and Irish governments in 1985 and aimed to achieve power sharing between nationalists and unionists in a devolved government in Northern Ireland. Although the Agreement provided for economic co-operation, it was quite obviously political as it reflected political co-operation between the British and Irish governments as well as the SDLP.

The Agreement provided for the establishment of an Intergovernmental Conference, which would meet every three months to discuss matters of concern to Northern Ireland. The Conference was to be attended by representatives of relevant departments in the UK and the Republic and always by the Secretary for Northern Ireland and the Irish Minister for Foreign Affairs. The Republic of Ireland was allowed the right to be consulted on any matters which were of concern to the nationalist minority in Northern Ireland and which were "within the field of activity of the conference" (Article Two, AIA). This

right is in fact ambiguous, for it limits the Irish government to be consulted on, for example, the administration of justice in Britain, which is of concern to the nationalist minority in Northern Ireland (Boyle and Hadden, 1989, p. 36). The Republic in turn recognised that no change could occur in the constitutional status of Northern Ireland, unless a majority in Northern Ireland so wished.

Because the AIA was signed by Irish and UK representatives (and Northern Ireland is part of the United Kingdom) and because it established mechanisms for economic and political communication between Northern Ireland and the Republic, the AIA is an example of cross-border co-operation. It is also an example of cross-border *political* co-operation, because it was signed and negotiated by political élites from two separate states to achieve political aims.

All the above examples of possible cross-border co-operation suggest that any examination of the EC's effect on the cross-border relationship must pay heed to the possibility that other factors were in fact influencing that relationship long before the Single Act. On closer inspection, however, all examples apart from the AIA fall short of the definition of cross-border co-operation described above.

The first two apparent examples of co-operation are flawed examples. The reason for their flaws rest upon the meaning of co-operation. The Lemass/O'Neill meeting did not lead to an improved cross-border relationship, because the initiative was swamped by the resurgence of sectarian conflict in Northern Ireland in 1968 (see pp. 48-49). The new era of co-operation was marked by the Anglo-Irish Trade Agreement in 1965 which provided for free trade between the Republic of Ireland and the UK. However, the specific Irish/Northern Irish relationship remained tense. The Lemass/O'Neill historic meeting did not herald a new co-operative era. Instead, political conflict prevented the emergence of such economic co-operation.

Similarly, the existence of a co-operative relationship between the constitutionalist nationalist SDLP and policy makers in the Republic of Ireland reflects an underlying harmony of political interest with respect to cross-border co-operation. It is not a meaningful example in terms of the above definition of co-operation. However, the co-operative elements of the AIA do pose significant problems for neo-functionalists.

iii. The Irish/Northern Irish Cross-border Relationship and the Anglo-Irish Agreement

The main problem posed by the Anglo-Irish Agreement for neo-functionalists is that potentially it can affect the cross-border relationship. As the Agreement was signed in 1985, two years before the SEA, it is possible that, should there be evidence of increased Irish/Northern Irish cross-border co-operation from 1988 to 1993, the AIA in fact caused it and not EC policy reform.

Thus, in the context of this thesis, the cross-border relationship is dominated theoretically if not empirically by two arguments. One argument is the neo-functionalist argument, which is described above. In this argument economic co-operation leads to political co-operation. The other argument is that the Anglo-Irish Agreement is an example of political co-operation and that this political co-operation has increased both political and economic co-operation. In other words economic co-operation cannot occur unless political co-operation increases first. Spillover is from political co-operation to economic co-operation, not vice versa. The theory of coercive consociationalism represents this argument and it is examined in the next sections.

Consociational democracies are those democracies where separate and conflicting segments in society share power. They do so peacefully and in the absence of violence because a number of conditions exist. At the core of all consociationalist accounts is an emphasis on achieving co-operation at the elite level.

There are four central conditions[6]. The first is that élites must possess the will to resolve conflict. The second condition is that élites must control or dominate their followers. Thirdly, the segments within the relevant society must be stable, because élites need to rely on a stable support base and they need to have fairly accurate information as to how other élites will behave (O'Leary, 1989, p. 576). A fourth central condition may be added: no one élite has a majority, or can exercise a veto on constitutional proposals. In this way, all groups are

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6 I am taking the first three conditions as essential to the attainment of consociationalism on the basis of criticisms of Lijphart's other conditions (see, for example, Barry, 1975). In so doing, I am clearly accepting O'Leary's exposition of consociationalism (O'Leary, 1989, pp. 572-576). The fourth condition has been found to be in existence in all consociationalist democracies apart from Austria.

in a no-win situation. Unless they co-operate with each other, they will not be able to exercise their will effectively on policy outcomes (Andeweg, 1990).

These conditions which are needed for political co-operation are *political* conditions. *Economic* co-operation may well complement the political endeavours which are needed to achieve consociationalism. For example, the provision of money specifically for cross-border and inter-community co-operation may cajole conflicting groups into initiating such co-operation. In this instance, common interests are upgraded. The EC may well have a role to play in such up-grading and neo-functionalist logic may aid the coercive consociationalist endeavour.

However, the significant point is that for consociationalism to exist there must be a basic political agreement between élites to co-operate. Economic co-operation is not a *sufficient* condition for political co-operation to emerge. Thus, both consociationalism and neo-functionalism provide different, though not mutually exclusive, answers to the question of how to achieve political co-operation in divided societies. In the former, political means are fundamental to attaining political co-operation, but for neo-functionalists economic means are sufficient, if harnessed by a supranational institution.

The relevance of consociationalism to the case of the Irish/Northern Irish cross-border relationship is that the AIA is argued to be a *political* attempt to achieve a consociationalist outcome (O'Leary, 1989, p. 581). In Northern Ireland, the conditions for consociationalism did not exist (Lijphart, 1977, pp. 134-141). Not all élites enjoyed autonomy from their followers and not all had a will to regulate conflict. Moreover, unionists succeeded in blocking policy initiatives, which were not to their self-proclaimed advantage, throughout the history of Northern Ireland (see chapter two).

In the negotiations which preceded the AIA, unionists were not consulted. Nor did either government revoke the AIA in the face of unionist opposition (see chapter two). For those who believe that the AIA was a rational, well thought out plan, the negotiators deliberately excluded unionists in this way, so as to force them to co-operate politically with nationalists on terms set out by the UK and Irish governments.

If unionists did not agree to power sharing on British and Irish terms, then they would be completely excluded from all negotiations

on the future of Northern Ireland. They were, thus, threatened with the prospect of policies which were antipathetic to their wishes, unless they co-operated in negotiations. The power of the unionist block to veto UK constitutional policy decisions with respect to Northern Ireland, a power which undermines the fourth condition for consociationalism, was, thus, removed. The UK government would no longer take unionists interests into account.

The AIA is an example of coercive consociationalism. Arguably, the AIA was not so rationally planned. Critics argue that it was an example of 'muddling through' crisis management (see Thompson, 1987, for an exposition of this argument), where British and Irish élites felt they must do something and the AIA emerged. Alternatively, rational strategies existed, but there were different strands of thought running through British and Irish camps. The argument here is that some members of the bargaining élites saw the AIA as a step towards UK withdrawal (O'Leary, 1989, p. 581). However, arguably, "the experiment of coercive consociationalism is certainly being tried, even if not all framers of the AIA intended to try it (O'Leary, 1989, 581). This argument is taken as a premise for the remainder of this thesis.

Thus, the AIA has strong theoretical implications for the cross-border relationship (chapter two). The emergence of mutual co-operation between sub-national élites in Northern Ireland has a potential effect upon the cross-border relationship, because such co-operation implies that political differences of opinion will be ironed out. As these political differences are at the heart of the poor cross-border relationship, then, if these differences diminish, tensions in the Irish/Northern Irish relationship will also be less.

Moreover, integration theorists, would argue that the process of communication and negotiation that is involved in co-operation will generally lessen the insecurity of both nationalists and unionists within Northern Ireland. Consequently, both segments will be more trustful of both the UK and the Republic of Ireland. This increase in security will improve the cross-border relationship. Also, the AIA envisages talks between all parties in Northern Ireland (apart from Sinn Féin, the party which supports the IRA)[7] and those in the Republic. If such talks

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[7] In November 1993 the possibility that Sinn Féin would become part of the talks process was aired when it was alleged by Sinn Feein that it had conducted secret talks with the British government.

emerged, they would provide an obvious example of political cross-border co-operation.

The question of whether or not the AIA has affected the cross-border relationship also has a tangible functional element. The Agreement provides for the development of closer cross-border co-operation in economic areas (Article 10). In the AIA's 1989 review, there was greater emphasis upon this functional co-operation and, indeed, upon the EC. The International Fund for Ireland (IFI) was set up, again under the aegis of the Agreement, emphasised economic cross-border co-operation. Indeed the EC contributes money to this fund. Clearly, for the devisers of the AIA, economic co-operation did have the potential to embellish political co-operative endeavours. In this way, economic co-operation has a role to play in a coercive consociationalist agreement, not simply in theory, but in practice through the IFI.

A tricky question is determining whether economic co-operation under the aegis of the AIA is theoretically different from economic co-operation caused by the EC. For example, it is arguable that the AIA and the EC are both institutions which harness economic co-operation and that this economic co-operation leads to greater political co-operation. However, on closer inspection the similarity between neo-functionalism and coercive consociationalism is skin deep.

Clearly, the AIA is a political agreement which contains provisions for economic co-operation. However, without political co-operation, as reflected in the signing of the Agreement, it is unlikely that the IFI would have been established. Consequently, political co-operation is at the basis of any emergent economic co-operation. Unlike neo-functionalist logic, spillover occurs from political to economic co-operation, not from economic to political co-operation.

In contrast, neo-functionalists argue that the Commission, although a political institution, was established for economic reasons. Similarly, the EC's policies which may increase cross-border co-operation were motivated by economic demands which overcame the political objections of for example, the then British Prime Minister, Margaret Thatcher (Garrett, 1992). Economic co-operation causes the establishment of political institutions. In this way, the difference between economic co-operation under the aegis of the Agreement and that which has occurred because of the EC is significant.

For neo-functionalists, economic necessity and economic demands are necessary conditions for political co-operation. Political elites respond to these economic demands and their support for co-operation is necessary This different analysis of how to achieve political co-operation is important because it leads to some neo-functionalist propositions as to how unionists in Northern Ireland would react to the IFI and to EC cross-border initiatives. The implication is that if EC cross-border economic initiatives are indeed caused by economic need and if the IFI is caused by a*political* agreement, then, unionists because of the *political* sensitivity of cross-border co-operation would be more likely to accept EC initiatives, rather than the IFI's initiatives. For this reason, neo-functionalists would argue that the EC's effect upon the cross-border relationship is potentially greater than that of the AIA.

Clearly, should economic and political cross-border co-operation have increased between Northern Ireland and the Republic of Ireland, there is a possibility that the AIA is the cause of such co-operation, that is, that political co-operation was necessary before economic co-operation could occur. This bears clear similarities to the realist school described above. Coercive consociationalism is not simply an alternative to neo-functionalism, but is part of a larger debate between neo-functionalists and realists.

iv. The Anglo-Irish Agreement and International Relations Theory

Should there be evidence of increased cross-border co-operation in Northern Ireland and the Republic, it has been shown that there are two alternative explanations for such co-operation: one explanation is that the EC has caused change and a second is that the AIA has caused change. Similarly, the signing of the SEA and the round table discussions of 1983 are open to numerous explanatory interpretations.[8]

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[8] Of the alternative theoretical responses to the SEA, intergovernmental institutionalism is the most fashionable. However, this theory does not fit the case of the Anglo-Irish Agreement as neatly as does neo-realism. Briefly, intergovernmental institutionalism combines realist assumptions of the importance of state sovereignty and self-interest with the acknowledgement that international institutions can change preferences so as to allow co-operation between states (Kirchner, 1992, p. 11). For intergovernmental institutionalism to apply to the case of the AIA, the AIA would be construed as a régime which represented agreement on norms, principles and decision making procedures. The Intergovernmental Conference is the key institution.

The neo-functionalist interpretation has been described above. However, there are alternative explanations of the SEA. These alternatives to neo-functionalism can be divided into two main schools of thought: neo-realism and intergovernmental institutionalism (see footnote 8).

The argument that the AIA has increased cross-border co-operation rests upon the same premises as neo-realist accounts of the signing of the Single Act. Consequently, the questions addressed by this thesis do not simply test neo-functionalism, they also examine the validity of realism. Because of this theoretical overlap, neo-realism is discussed below and is applied to coercive consociationalism.

Neo-realists, as their name suggests, relied upon the realist assumption that power was the central tenet in international relations. This argument was developed to lead to a second proposition that co-operation between states was possible, only if a world hegemon existed. The United States was said to have fulfilled this condition until the 1980's.

The concept of complex interdependence became the primary object of neo-realist scrutiny. The functionalist and neo-functionalist assumptions that complex interdependence implied that power was not zero-sum and that power maximisation and inequality did not explain state or individual action were attacked. On the contrary, neo-realists argued that, although in the modern complex world power was not simply military, power could still be defined by examining the differing *capabilities* of states. These capabilities were both economic and military and economic power was correlated with political power

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Intergovernmental institutionalists could argue two points. The first would be that the EC as a régime influenced two of its members, the UK and the Republic of Ireland, to co-operate closely by signing an international agreement forming another regional, but still international, institution, the IGC. In this way, the AIA could be an example of institutional spillover. This proposition would possibly explain the signing of the AIA, but it would not explain the AIA's effect upon sub-national actors who were opposed to the AIA from its conception.

Secondly, intergovernmental institutionalists would argue that the IGC changes the preferences of its members and consequently, whilst each set of members retains its national identity, each co-operate because all are members of the same institution. The difficulty in applying this theory to the AIA and the cross-border relationship is that neither nationalists nor unionists are members of the IGC and as intergovernmental institutionalism examines the effect of an institution on its members, unionists and nationalists are excluded. My argument is that if the AIA has influenced those who have not participated in it — unionists and extreme nationalists — then it has done so because its signatories could wield power. Therefore, neo-realism is a more relevant theory.

(Waltz, 1979, p. 98). The term hegemony was coined to describe those states which enjoyed a preponderance of resources (Keohane, 1984, p. 31). These resources fell into four categories: the possession of raw material resources; the ability to control markets; the possession of sources of capital; and, finally, the existence of competitive advantages in the production of highly valued goods (Keohane, 1984, p. 32).

The United States was an example of a world hegemon in the 1970s. Power was to be measured by the degree to which some states were more immune to the effects of other states' behaviour (Waltz, 1979, pp. 143-144). In short, neo-realists argued that, yes, all states were constrained by each other's behaviour, but states were not all constrained equally. For example, in the 1973 oil crisis, the USA was less dependent upon oil supplies from the Middle East and, consequently, it played a more effective role politically in that crisis than did European Community members. The preponderance of resources enjoyed by the United States placed it in this stronger position. It was a hegemonic leader.

Neo-realists argued that the drive to be powerful was easily explained for power still performed important functions for states. It was assumed that the primary aim of states was indeed to maintain as much autonomy as possible (Bull, 1977, p. 8). No amount of economic co-operation could override this basic political aim. Power was necessary for states, so as to maintain this autonomy. Power also permitted a wider range of action for states. Power guaranteed safety, because powerful states could enforce their will upon other states. Power, also, gave its possessors a large incentive to maintain the international system, according to their wishes (Waltz, 1979, pp. 194-195). For all these reasons, states pursued power and states attempted to be hegemons.

These assumptions were applied by neo-realists to the case of the EC. The implication was that international organisations could not achieve international co-operation, unless *inequality* of power existed between states, where a hegemonic state has more power than other states. International organisations, such as the EC, could not achieve co-operation among members, unless a hegemon existed within the organisation, or a world hegemon existed outside the EC, who would impose an order upon the international system.

If the EC did achieve economic co-operation, it did so only because its member states enjoyed a basic *political* consensus. This

political consensus was needed before economic co-operation could occur between states. Consequently, neo-realists argued that economic co-operation could not spill over to political co-operation. Even if a political consensus existed, it was not stable and would eventually collapse if interests so dictated.

Underlying all the above reasons for power politics was the old realist assumption that states like individuals were prey to a constant sense of fear and insecurity (the Hobbesian fear): "Power and security have primacy in human nature and consequently, in all political life" (Gilpin, 1984, p. 290). In a system where no one state enjoys a preponderance of resources, that is, where some states are indeed relatively equal and, so, are equally dependent upon each other, then precisely *because* states feel dependent, they will feel increasingly vulnerable. Any system of co-operation cannot sustain this inherent insecurity. With no hegemon to enforce rules and, thus, no leader to reassure states, this anarchic system will collapse.

The neo-realist analysis of power in the modern world led to their argument that increasing economic interdependence has certainly decreased national economic autonomy. However, neo-realists argued that states had intervened in the economy only to protect their national values. National self-interest had not merged into some global interest, but was still clearly visible. Complex interdependence did not imply that power had ceased to dominate international relations.

The relevance of this neo-realist response to the Anglo-Irish Agreement is that the coercive element of coercive consociationalism assumes that those who are using coercion enjoy a preponderence of resources over those who are coerced. In other words, some actors are more powerful than others. The fact that the AIA was in fact an international treaty and thus represented the rule of law and international arbitration was no proof of its idealist nature.

On the contrary, just as the League of Nations could not achieve co-operation because it lacked the power to enforce its will, then, similarly, the AIA could be implemented only by hegemons with greater power than sub-national groupings in both Northern Ireland and the Republic. In this way, inequality of power is a central element in explaining how both the British and Irish governments could impose their will, at least by imposing the AIA, upon reluctant unionists. A neo-realist exposition of the AIA would be as follows:

British and Irish signatories and participants in the AIA were more powerful because they represented state governments. The power enjoyed by the UK government with respect to unionists is of essential relevance. Legally, the UK government could impose its will upon Northern Ireland, as long as a majority in the House of Commons approved. Unionists represented a minority party within the UK as a whole and could not legally prevent the imposition of the AIA, nor change its contents. Similarly, an economic power-dependence relationship is evident between Northern Ireland and the UK, because the UK supports the Northern Irish economy with massive subvention (estimated at two billion pounds per annum for the year 1990 to 1991). (Interview, Department of Finance and Personnel, senior official, February 1992). Economically and politically, the government of the UK was more powerful than unionists.

This inequality of power between British and Irish governments and unionists was necessary for the emergence of a coercive consociationalist agreement. For realists, then, the AIA is an empirical example of how power may be used to achieve political co-operation.

Finally, neo-realism is relevant to the discussion of the AIA and the EC, because coercive consociationalism represents a political attempt to achieve co-operation. Political co-operation is thus a precondition for resolving the conflict in Northern Ireland and for forcing cross-border co-operation.

Similarly, neo-realists, like realists, argue that economic co-operation will not spill over to political co-operation. The inherent insecurity which is shared by all individuals and, hence, by all states implies that even if the Commission upgrades common economic interests, any resultant economic co-operation will either collapse in the absence of political co-operation, or, if it occurs, it will not cause political co-operation because actors will remain suspicious of each other. No amount of communication, information exchange and common economic interests can overcome this basic Hobbesian fear.

The fear of losing one's identity which is at the heart of the conflict in Northern Ireland, is so deep as to prevent political co-operation, in the absence of a coercive consociationalist strategy. The inequality of power needed for coercive consociationalism is really another vindication for the argument that co-operation cannot occur in the absence of hegemonic leadership. In this case, the hegemons with respect to Northern Ireland are the UK and the Irish governments, but

particularly the former, given its legal and financial responsibility for Northern Ireland. The AIA has more power to impose change upon sub-national actors than has the EC, because actors are more dependent upon UK and Irish governments than they are upon the EC. For neo-realists, the EC's path is doomed to failure.

Coercive consociationalism, then, is an example of a neo-realist argument. Consequently, should the AIA have had a greater effect upon the cross-border relationship than had the EC, this study strengthens neo-realism.

Clearly, the debate about the relative significance of the EC and the AIA in the Irish/Northern Irish cross-border relationship is part of a larger debate between international relations theorists about how best to achieve peace in divided societies. It is because of the concern to avoid situations of death and destruction that neo-functionalism developed. The relevance of all the above theories of international relations to the small but tragic pocket of destruction in Northern Ireland cannot be overstated. It has already been shown that the cross-border relationship cannot be separated from this conflict, particularly since the signing of the AIA. For this reason the case of Northern Ireland and its weak relationship with the Republic is not simply a 'special situation', it is exactly *the* type of situation which idealists, realists and functionalists sought to avoid.

The applicability of neo-functionalism forms the backbone for this thesis. Its applicability is undermined by the extent to which a realist account, represented by the AIA, provides a better analysis. These theories provide some hypotheses which offer conflicting predictions as to how the EC has affected the cross-border relationship. The validity of these predictions will be examined in the ensuing chapters, so as to determine the applicability of neo-functionalism to the Irish/Northern Irish cross-border relationship. The hypotheses are presented in the next section.

Conclusion: The Irish Cross-border Relationship and International Relations Theory: Hypotheses

The term 'theory' is used above in relation to neo-functionalism and neo-realism. However, clearly each school is based upon a subjective emotion of optimism or pessimism, as the case may be. At heart, the question is whether or not conflict is inherent in individuals and in

society and much of the writings are laced with value judgements. For neo-functionalism's critics, the concept of spillover is one such value judgement. Similarly, Gilpin, himself in the realist tradition, has argued that realism should be seen "as a philosophical disposition and set of assumptions about the world rather than in any sense a 'scientific theory'" (Gilpin, 1984, pp. 289-290).

Consequently, there is theoretical room to examine neo-functionalism and to identify strict conditions under which neo-functionalism may be accurate, or indeed to identify conditions where it may not apply. Haas noted that the logic of spillover may not apply in Less Developed Countries, where economic issues were quickly politicised (Nye, 1965 and Haas, 1970). This neo-functionalist footnote represented a possible constraining condition, yet little work has been done on identifying other conditions which may aid or inhibit neo-functionalist logic.

The obvious question is whether or not neo-functionalism can be applied to an unharmonious relationship between two regions of the EC without the over-politicisation of economic issues. Does overpoliticisation occur among EC members in the presence of fundamental EC policy change? The need to identify strict conditions is great. Such identification may make neo-functionalism, or alternatively neo-realism, more deserving of the term 'theory'.

Clearly, there is a variety of possible results which can be derived from neo-functionalism and neo-realism. For example, civil servants, local councillors and interest groups may indeed be responding to the Single Act, or they may be responding to the AIA. Alternatively, they may be responding to neither initiative.

Figure 1.1 provides an exposition of all possible results. The results of each case study chapter can be applied to this table, so as to determine whether the findings uphold or falsify neo-functionalism.

Figure 1.1: Hypotheses of neo-functionalism and neo-realism

1. Neo-functionalism	Economic co-op. leads to political co-op.
2. Flux	Economic co-op. may lead to political co-op.
3. Neo-realism	Economic co-op. does not occur, but political co-op. does exist
4. Neo-realism	Economic co-op. and political co-op. do not exist
5. Neo-realism	Political co-op. leads to economic co-op.
6. Neo-realism	Economic co-op. exists, but it will not lead to political co-op.

There is only one possibility which definitely upholds neo-functionalism and it is that the EC has caused economic co-operation and this economic co-operation has caused political co-operation. 'Flux' implies that economic cross-border co-operation appears to be increasing because interest groups and administrative élites are responding to the EC, but whether or not this economic co-operation will spill over to political co-operation is not known, as political co-operation may need more time to emerge from economic co-operation.

Four possible outcomes uphold neo-realism. Political co-operation may exist (because of the AIA), but it does not lead to economic co-operation. Second, neither economic nor political cross-border co-operation are found to exist. Thirdly, economic co-operation exists, but it will definitely not lead to political co-operation. The fourth possibility is that economic and political cross-border co-operation exist, but that political co-operation has caused this economic co-operation. This possibility refers to the argument that the Anglo-Irish Agreement has caused economic co-operation and, consequently, it is the most relevant neo-realist hypothesis to this thesis.

The task is to apply these hypotheses to each set of actors in Northern Ireland and the Republic. It will be shown in the next chapters that distinctive groups of actors have reacted differently to the EC. Civil servants have not behaved as business people. Local councillors have behaved differently again. The Commission itself may or may not have provided the dynamism which neo-functionalists believe to be essential to the evolution of co-operation. In other words,

each case study has its own story to tell. In the next chapter, the historical background to these 'stories' is provided.

Chapter Two

A History of The Cross-Border Political Relationship

Introduction

The Irish/Northern Irish cross-border relationship has not been co-operative (chapter one). In this chapter, I show how this relationship has been marked by political tensions. The history of the relationship between Northern Ireland and the Republic of Ireland will be charted, so as to gauge the general level of cross-border co-operation since 1921. The chapter is divided into six sections. In the first section, the foundation of the two states will be described. In particular, the Boundary Commission of 1925 will be examined. This Commission drew up the final border between the two states and this section will examine traditional nationalist and traditional unionist perceptions of the border. The remainder of the chapter examines five broad phases of the cross-border relationship: insulation; modernisation and reform; crisis; the search for a solution and, lastly, intergovernmentalism. These phases reflect the changes which have occurred in the cross-border relationship during the given period.

It must be noted that, although this study is concerned with functional co-operation, this historic chapter deals with the broad concept of cross-border political co-operation and, thus, provides a framework for the remainder of the thesis. The underlying assumption is that the level of functional co-operation before 1988 was not high. Subsequent chapters will confirm this assumption. Moreover, so as to examine whether or not political co-operation may lead to economic co-operation, or vice-versa, it is essential to examine whether or not political co-operation existed in the first place.

The conclusion of this chapter confirms that levels of *political* cross-border co-operation have been low. However, it will be concluded that, although levels of political co-operation have been low, political change has occurred in the cross-border relationship. The EC's policies may well complement this change.

i. Partition and the Boundary Commission.

Partition was formally agreed upon by representatives of both the British and Irish governments when the Anglo-Irish Treaty was signed on December 6 1921. This Treaty gave twenty-six counties to the south and six counties to the northern part of the island. The Treaty offered

the south dominion status, alongside the other Commonwealth members.

Dominion status implied that the twenty six counties would have the same status as other dominions of the British Empire. Thus, Irish members of an Irish parliament would swear an Oath of Allegiance to a British monarch. Moreover, the terms of the Treaty allowed British control of the main ports and surrounding seas in the south. The Irish Army was limited to seventy thousand men.

A significant provision was the promise of a boundary commission to "determine in accordance with the wishes of the inhabitants, so far as may be compatible with economic and geographic conditions, the boundaries between Northern Ireland and the rest of Ireland" (Articles of Agreement for a Treaty Between Great Britain and Ireland: Article XII). The Treaty was ratified by the Irish Dáil on January 7 1922, by a majority of seven votes.

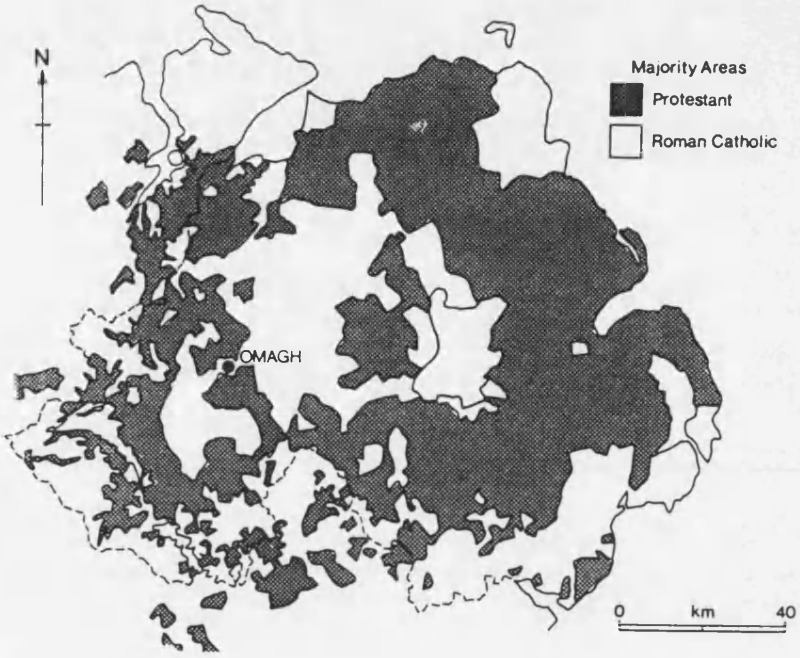
It was argued by those who favoured signing the Treaty that its terms were the best that could be obtained at the time. The British prime minister Lloyd George threatened an immediate and terrible war if the Irish delegates would not sign the Treaty. Moreover, pro-Treatyites claimed that those terms did allow the freedom to achieve freedom at a later date. As regards partition, this freedom would not relate only to the 26 counties, but first to 28 counties and then to all 32 counties. The clinching argument appeared to be Article XII of the Treaty which provided for the establishment of a Boundary Commission. The Commission was to deal with the key question of where the boundary was to be drawn.

The Boundary Commission

For pro-Treatyites, the key clause in Article XII recommended an alteration of the border boundary "so as to make the boundary conform as closely as possible to the wishes of the population" (ibid). Map 2.1 places this statement in perspective. The map portrays the distribution of Catholics and Protestants in Ulster in 1911. Broadly speaking, Protestants were concentrated in the North East of the province, with Catholic concentration in Fermanagh, Tyrone and part

of Armagh. The pattern mirrored the pattern laid down in the 1600s[1] and resulted in the segregation of planter and"native" communities from each other.

Map 2.1: Distribution of Catholics and Protestants in Ulster 1911 (Map used by Boundary Commission)



Source: Neville and Douglas, (1985, p. 110).

The plantation of Ulster occurred in the seventeenth century. In effect, plantation meant the settlement of English and Scots citizens who were given land holdings in various parts of Ireland. The concentration of these settlers was uneven, with most dwelling in the northern part of Ireland. As Foster notes:

> What must be grasped from the early seventeenth century is the importance of the plantation idea, with its emphasis on segregation and on native unreliability. These attitudes helped Ulster solidify into a different mould (1988, p. 78).

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[1]The plantation of Ulster officially began in 1609, although the first immigrants from Scotland arrived before that (Foster, 1988, p. 63). The peak immigration rate was in the latter half of the seventeenth century.

This 'different mould' was manifested by the strength of unionist resistance to Irish unity. Such opposition was made clear in unionist reaction to the 1912 Home Rule Bill. After a House of Commons debate on this Bill, in February 1912, it was proposed that Home Rule would be introduced to the whole island of Ireland. Unionists argued first that there was no such thing as an Irish nation and then altered their stance to argue that there were in fact *two* nations in Ireland (Mansergh, 1991, p. 47). Supported by Bonar Law, a leading member of the Conservative party, they threatened civil war to defend their position. The power of unionist conviction was thus made clear to the British government and public.

It was then that the British Prime Minister, Asquith, asked Bonar Law what the unionist definition of its nation was. How many counties did such a nation include? The key point is that the different mould mentioned by Foster divided not Ulster from the rest of Ireland, but four counties from the nine counties that comprise Ulster. It was in these four counties that Protestant majorities existed. These counties were Belfast, Londonderry/Derry (apart from Londonderry/Derry city), Antrim and Down. Thus, a continual theme in implementing partition was that of deciding where exactly the boundary should lie. Nationalists and unionists had different aspirations in this respect.

Nationalists, if partition had to be, preferred the boundary to be drawn so as to encompass only the Protestant dominated four counties, apart from those nationalists who lived in Belfast. Unionists wanted a six county jurisdiction, as that would constitute the largest area with a safest Protestant majority — a 66 per cent Protestant majority (Buckland, 1981, p. 20). A boundary encompassing all nine counties of Ulster would have delivered only a 56 per cent Protestant majority (Buckland, ibid.). A four county area was commonly perceived to be too small to be economically and politically viable.

The 'different mould' of Unionism was formally recognised by the British government in the Government of Ireland Act 1920, which provided for the establishment of two parliaments, one for the North and one for the South, in recognition of the distinctive make-up of each area. However, it was the unionist preference for a six county Northern Ireland that was agreed upon by the British government in 1920.

The 1921 proposal for a Boundary Commission was interpreted by pro-Treatyites as implying that a re-drawn boundary would give the two Catholic dominated counties of Tyrone and Fermanagh to the

South and that the remaining four Ulster counties would join in a new 32 county Ireland at a later date. Thus, an American Consul to Belfast in 1921 commented that Ulster unionists awaited ratification of the Treaty "as the condemned might await the hangman's axe" (Mansergh 1991, p. 198).

Nationalist hopes and unionist fears were not fulfilled. Apart from the long delay in the Boundary Commission's appointment — it was not appointed until 1925 — the decision reached was almost identical to the original 1920 decision. It was the qualification that boundaries would be re-drawn "so far as may be compatible with economic and geographic conditions" that dominated the outcome. The implication was that a four county Northern Ireland could not survive. In a leak to the *Morning Post*, it emerged that the Commission had agreed upon the six county option was agreed upon, despite the presence of the Irish representative Eoin MacNeill on the Commission. The decision was never made public officially, but nonetheless came into effect.

Map 2.2 portrays the Boundary Commission decision. It is noteworthy that along the border there is heavy Catholic concentration. (see Map 1.1). Patterns of voting behaviour and the incidence of violence are also geographically distributed. Nationalist party support has been strongest along the border areas and particularly in Tyrone, Fermanagh and Londonderry/Derry.

Map 2.2: Irish Boundary Commission Proposals

Source: Boal and Douglas, 1982, p. 112

The regions of heaviest violence are situated in South Armagh, Fermanagh and Tyrone, with Belfast and Londonderry/Derry having the highest incidence. Overall, then, there are geographical patterns of violence and conflict and it is clear that the border creates a context for the remainder of the study. That the border sets a context is not to claim that it caused the violence and conflict depicted above. What is clear is that different groups within Northern Ireland have different perceptions of the causes of that conflict.

For traditional nationalists, the border is, indeed, a root cause of conflict. Thus, nationalists argue that the people of Ireland form one nation and that Ireland was divided because of British policy makers. The traditional nationalist argument is that, if Irish Catholics and Protestants had been left alone by British governments, then Protestants would have been content to join in a united Ireland (Whyte, 1990, p. 117).

Traditional unionists, in contrast, argue that the British Isles form one unit, including Ireland. The core problem was perceived not to be the creation of the Irish border, but Irish attempts to abolish the border and form a thirty two county Irish Catholic state. Thus, Irish irredentism was the alleged source of conflict, for it encouraged and justified nationalist terrorist violence (Whyte, 1990, p. 147).

In this way, nationalism and unionism mirrored each other, with nationalists primarily blaming the British state for violence in Northern Ireland and unionists blaming the Irish state for that violence. Thus,

cross-border co-operation had very different connotations for unionists and nationalists, the former's antagonism to the Irish state making such co-operation an anathema.

For the nationalist community, cross-border co-operation had no malign ideological connotations, indeed, it was perceived to further the aim of a united Ireland. Thus, for cross-border co-operation to be significant it must refer to *unionist* co-operation with the Irish state (see p. 17). The unionist perception of the Republic did indeed hinder cross-border co-operation, as the next sections will show.

ii. The Cross-border Relationship. Phase One: Insulation and State Building

In the early stages of independence, both states laid the foundations of mutual insulation from each other. The reasons for this insulation are found in the problems which each state perceived to exist. Thus, the border was perceived by unionists as a protection against the erosion of Protestant power and identity. It was a partial solution to the problem of Irish irredentism and unionist policy makers felt obliged to consolidate their position and strengthen barriers against Irish encroachment. Insulation was the preferred strategy.

There appeared to be solid reasons for this strategy and the fear which caused it. The boundaries of Northern Ireland divided villages and farms. They stood in proximity to Catholic Ireland and they demonstrated the fine line of statehood. The potential for that line to be eroded seemed strong: The new Irish state was still only semi-constitutional — IRA activity reached its height in the civil war of 1922-1923 and existed not only in the twenty six counties, but in Northern Ireland as well.

In the new constitution of 1937, Ireland, as it was now called, lay claim to Northern Ireland by stating that "the national territory consists of the whole island of Ireland" (Article Two, Bunreacht na hEireann). Moreover, the constitution appeared to enshrine Catholic doctrine and was influenced by the advice of Archbishop Dermot McQuaid, a close friend of the Irish leader, Éamon de Valera. In fact de Valera was also careful to state that freedom of religious expression would exist in the new state. However, the specifically Catholic provisions outweighed the non-Catholic provisions for unionists. Hence, for unionists, the external enemy was perceived to be one close at hand, on the same

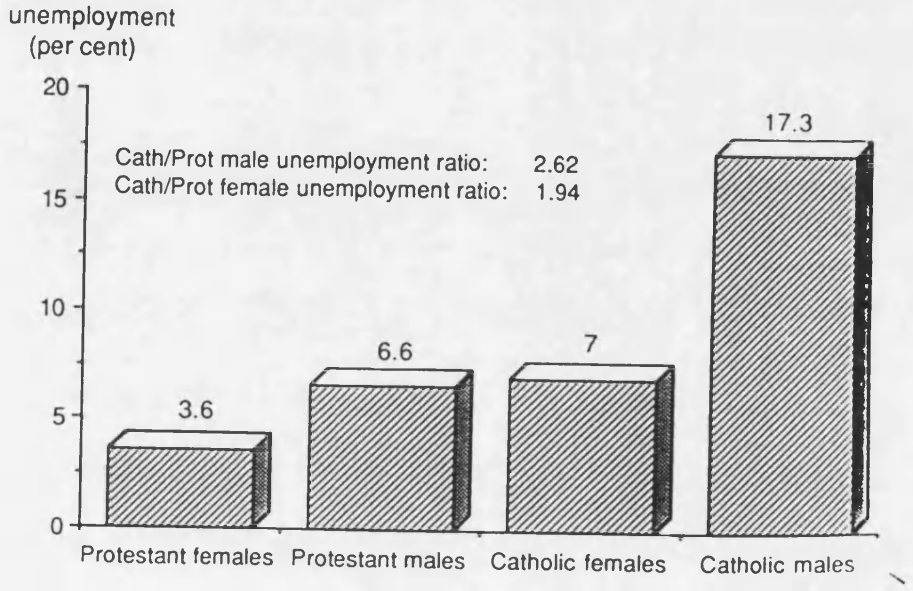
small island. It was not simply the existence of this perceived external enemy, but also the existence of the Catholic minority within Northern Ireland that frightened unionists.

Thus, unionists, led by the Ulster Unionist Party (UUP), set about building a Protestant state, by limiting all contact with the Catholic Republic and also by excluding Catholics within Northern Ireland from all corridors of power. Proportional representation was abolished for local elections in 1923 and for parliamentary elections in 1925. Moreover, in 1923, electoral boundaries were redrawn for local elections, so as to ensure Protestant majorities, even in those areas where Catholics had a strong presence.

In addition, restrictions of franchise were aimed at the Catholic community. These restrictions related to property qualifications which, if not met, removed the right of the individual to vote. For example, the 1923 Local Government (Franchise) Act restricted franchise to those holding land to the value of £5 or more. In 1946, the valuation threshold was increased to £10. At the same time, discrimination in the allocation of housing and jobs meant that Catholics were affected most by the legislation. Thus, one nationalist commented: "first you deny the people houses, and then because by reason of your own failure they have no houses, you deny them votes" (O'Dowd et al, 1980, p. 100).

As regards employment, figure 2.3 serves to illustrate the unequal employment rates among Protestant and Catholic communities. "In 1971, Catholics were 2.6 times as likely to be unemployed as Protestant males" (O'Leary and McGarry, 1993, p. 130). Thus, through discrimination in housing, employment, franchise rules and boundary control, unionists dominated both parliament and local government.

Figure 2.3: Religion, Sex and Unemployment in Northern Ireland, 1971.



Source: O'Leary and McGarry, 1993, p. 130

Similarly, Catholics were not proportionately represented among the security forces. Only one sixth of the Northern Irish police, the Royal Ulster Constabulary, was Catholic (Farrell, 1976, p. 96). Many of its members were involved in the Orange Order[2] and, under the provisions of the Special Powers Act (1922), the RUC had the authority to ban Catholic meetings, raid houses and intern at will. Consequently, "they were seen by most Catholics as merely the coercive arm of the Unionist Party" (Farrell, 1976, p. 97).

By 1934, James Craig, the leader of the UUP, could proclaim with conviction the existence of a Protestant parliament and a Protestant state (Buckland, 1981, p. 55). This Protestant state was created by a policy of exclusion (of Catholics) and insulation (from the Republic).

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[2] The Orange Order was established in 1790 with the aim of maintaining the Protestant religion and ascendancy. It spread to include the majority of Protestant males among its membership and became associated with ritualistic marches and banners. It gave "a sense of unity and purpose to Protestants", but also divided them from the Catholic community (Buckland, 1982, p. 5).

However, the unionist task was greatly aided by the gradual insulation of Irish politicians themselves from Northern Ireland.

For the new Irish state, the border was an imperfect realisation of an existing reality in Ireland: unionists would not be part of a united Ireland. It was also a source of civil division in the new state, manifested most bitterly by the Civil War of 1922-1923. It was imperative that this divisive effect be minimised. Thus, the border's main significance for the Republic was not as a context for interstate co-operation, but as a source of disunity within the twenty six counties. It soon became a political football which few Irish politicians were willing to touch. The Irish position appeared to be understandable. As Keatinge comments:

> The position of the new Irish state was by any criterion weak ... Economic dependence on the United Kingdom was overwhelming and even the formal diplomatic independence of the state was at first qualified by the ambiguities entailed in the status of a Dominion in the new Commonwealth. Unquestionably a small state, with a population marked by persistent emigration, the Irish Free State's concerns were those of survival ... (1986, p. 141).

The administrative task of building an efficient state, where new administrative responsibilities were shouldered "with sketchy resources and rudimentary structures" (Keatinge, 1987, p. 145) was one mammoth task, which the new state had to face. At the same time, it was essential that Irish policy makers win international recognition for an independent sovereign state.

Apart from these burgeoning problems, if history had shown anything to Irish policy makers, it was that unionists would resist fiercely a united Ireland. Bowman notes that de Valera's communications and speeches altered in approach to unionists between 1917 and 1920. It appeared that there was a dawning realisation that some conciliatory effort was needed to encourage unionists into a united Ireland (Bowman, 1988, pp. 37-43).

Thus, de Valera's emphasis passed from the impossibility and uselessness of compromise with unionists (1917) to the need to assimilate unionists (1919) and, finally, to the possibility of accommodating unionists (1920). No doubt, Craig viewed de Valera's position as ultimately uncompromising — after all, to accommodate

unionists was not to agree to unionist terms, nor did accommodation relinquish the aim of Irish unity.

However, having met Craig in the May of 1920, de Valera concluded that "he saw no hope of solving the problem with prior agreement of the Unionist minority" (Bowman, ibid.). He added that the question was an Irish-English one. Therefore, if Irish politicians turned their back on unionists, it was not without the memory of unionist conviction politics. The question is whether or not by 1920 Irish policy makers really felt a united Ireland was feasible and, if it was not perceived to be so, then what was the pay-off in co-operating with unionists?

The pay-off, in fact, was a loss in the context of Treaty-based party politics. Neither of the two main parties could afford to raise nationalist hackles by co-operating with the very group that was accused of tarnishing the nationalist dream. Only if it achieved a united Ireland would such co-operation be a safe bet in fledgling party politics. The chances of such an outcome seemed slim.

Hence, both states insulated themselves from each other for the formative part of their existence. As they did so, they also built their states in patterns which lay the foundations for future decades. Protestant hegemony was achieved in Northern Ireland and, in the Republic, little effort was made to encourage Protestants to join an Irish state. Perhaps the greatest sign of this absence of co-operation is that, after 1925, leaders of both states did not meet again until 1965, forty years later.

iii. The Cross-border Relationship. Phase Two: Modernisation and Reform

By the late 1950s, economic change had affected both Irish and Northern Irish states. This change in turn affected the level of cross-border co-operation between the two states, as well as domestic policy in both jurisdictions. The period of mutual insulation had ended and was replaced with one where both states attempted to increase cross-borderco-operation.

Modernisation

In both Northern Ireland and the Republic, economic questions dominated the horizon by the late 1950s. The technocratic approach which was adopted by both states made the prospect of cross-border co-operation more alluring. From an Irish perspective, such co-operation would encourage unionists to join in a united Ireland. Even if unification did not occur, cross-border co-operation would induce economic growth, which was desirable in itself (O'Leary and McGarry, 1993, pp. 155-156). This was a policy of "technocratic anti-partitionism" (Lyne, 1990).

Similarly, Northern Irish civil servants saw the benefit to be had from co-operating with the Irish state on an economic basis. Thus, economic events in Northern Ireland and the Republic formed the background to the first meeting by representatives from both states since 1925. This background deserves further elaboration.

In 1958, an Irish senior civil servant, T. K. Whitaker, drew up a five year Programme for Economic Expansion for the Republic of Ireland. The Irish five year economic plan emphasised the importance of attracting foreign capital, of export promotion and of agricultural modernisation. The plan registered a change in the Irish approach, for, since its foundation, the Irish state had insulated itself both from foreign trade, from World War and, as we have seen, from Northern Ireland. It was clear that Irish policy makers were preparing the way for Irish entrance to the newly established European Economic Community and, thus, "to aim at self-sufficiency in the old style was simply not realistic" (Lyons, 1972, p. 629).

However, the new economic policy represented more than simply economic factors. It was also a coming of age for the Irish state. The policy signified new confidence and the European Economic Community was a welcome forum for the Republic to assert its identity, apart from any anticipated economic benefits. The climate of European opinion had, thus, affected the Republic. The concept of spillover bears striking similarity to the idea of unity-inducing economic growth, the technocratic anti- partitionism described above. Changes abroad and at home contributed to the new emphasis on cross-border co-operation.

However, although such growth was similarly sought by Northern Irish policy makers, any constitutional implications were

strictly avoided. For Northern Ireland, the dominant economic problem was the economic decline of traditional industries, such as ship building and linen. The source of decline was multifaceted:

> the difficulty of maintaining themselves in a world which no longer needed so much of their products (this applied to both linen and shipbuilding), the absence of minerals and fuels, the smallness of the domestic market, the cost of reaching the all-important export market, the difficulty of finding work for men rather than women, and the lack of capital at home (Lyons, 1972, p. 748).

Many of these factors form, of course, the backbone of the common interests shared by Northern Ireland and the Republic (see chapter one). Poor economic performance and British unwillingness to subsidise the traditional industries (Buckland, 1981, p. 107) necessitated change. In 1964, a six year plan was introduced to develop infrastructure and 'growth centres' in Northern Ireland.

In line with the emphasis on efficiency, cross-border co-operation was deemed to be desirable and, in 1965, the Irish Taoiseach, Seán Lemass, was invited to the Northern Irish parliament at Stormont. As Irish policy makers themselves were similarly moved by economic logic and global political change, it was not an unwelcome invitation. The first meeting between Seán Lemass and Terence O'Neill occurred in the January of 1965. Not surprisingly, the meeting concentrated on economic matters of cross-border co-operation to the exclusion of more contentious issues. It is noteworthy that the Northern business community welcomed the meeting: "In general cross-border co-operation on tourist promotion, electricity generation ... could lead to considerable savings" (Farrell, 1976, p. 231).

However, despite further meetings, tangible plans for sustained cross-border co-operation proved to be elusive. Domestic upheaval in Northern Ireland intruded upon the tentative process of cross-border co-operation.

"Reform"

The establishment of the welfare state in Britain in the post-war period altered the position of Catholics in Northern Ireland. Catholics now had free access to schooling and many more gained a university education. A middle class Catholic community developed and, in contrast to traditional nationalists, its members were willing to participate in the institutions of Northern Ireland. Moreover, the aim was that basic economic and civil rights should be available for all: housing, jobs, the right to vote and fair policing. Leaders such as Ivan Cooper, Gerry Fitt, Paddy Devlin and John Hume put the case for state reform in logical terms. Organisations moulded on American civil rights groups emerged, such as the Northern Ireland Civil Rights Association (NICRA) and the Derry Citizens Action Committee. On the basis of these movements, the constitutionalist nationalist, Social Democratic and Labour Party was established in 1970.[3]

The dilemma for new unionist leaders was that it was no longer possible to exclude Catholics from economic and political privileges on the basis of alleged subversiveness (O'Leary and McGarry, 1993, p. 161). Terence O'Neill became Northern Irish Prime Minister in 1963 and responded to the new breed of Catholic politics by claiming to introduce reform. However, despite rhetoric to the contrary and O'Neill's visits to Catholic convents and schools, little change in the status of Catholics actually occurred. There was no local government reform, housing reform or security force reform. Even the White Paper, hopefully entitled "The Reshaping of Local Government", provided for restructuring, but left representation issues well alone. The new co-operative spirit was evident only at one level: in tone, not substance.

Under fire from both Nationalists and the Wilson Government in Britain, more substantial reform was introduced in 1968. This reform included promises to change housing allocation and to appoint an ombudsman. It also promised to withdraw the Special Powers Act as soon as possible. It did not provide for one man one vote, a provision which would have been at the heart of any meaningful democratic reform.

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[3] The Northern Irish parties will be discussed at greater length in chapter three.

The reform was not enough for nationalists and Catholics in Northern Ireland. Yet, for unionists it was far too much. Clearly, the cause of O'Neillism was not greater unionist security or assurance that a Catholic Irish threat had diminished, but socio-economic change. Both O'Neill's co-operative tone and the initiation of cross-border contacts were worrying developments for traditional unionists. Thus, domestic pressures in Northern Ireland emanating from the unionist camp restricted both internal reform and the cross-border co-operative process. The continuation of unionist insecurity meant that even O'Neill's early cosmetic change was resisted by a segment of the unionist population. The mixture of nationalist disappointment and unionist fear contributed to the outbreak of violence in 1968.

The civil rights movements used a method of peaceful protest marches through certain designated areas of Northern Ireland. The marchers insisted that, as the marches were not intended to be sectarian, they would march through both Catholic and Protestant dwelling areas. In October 1968, a march was planned to Londonderry/Derry. Unionist groups awaited the marchers in protest at their incursion to Protestant areas. As the marchers entered these areas, they were attacked by the police force (the RUC) who were supported by paramilitary unionist organisations.

The Northern Irish situation was to spiral in violence from 1968 onwards. More extreme groups developed, such as the People's Democracy, which prescribed the use of defensive violence against attackers and was committed to a mixture of socialism and republicanism. In 1969, the UUP split. Later, Ian Paisley's Democratic Unionist Party (DUP), representing the more hardline members of unionism was established and the Alliance Party representing the more moderate unionist camp was also founded. In Belfast, in 1969, mob violence by unionists aided by the RUC led to the death of six people. It was clear that the mediocre co-operation of O'Neill and the participatory co-operation of civil rights groups had failed to resolve the Northern Irish problem. The conflict deepened. It was a conflict which proved to be detrimental to the cross-border relationship.

iv. The Cross-border Relationship. Phase Three: Crisis

Crisis Management

If the economic demands of modernisation had ended the phase of insulation of the Irish government from Northern Ireland, the outbreak of violence in Northern Ireland consolidated that end. The outbreak of the conflict led to a situation of peak crisis[4] for decision makers. Not surprisingly, cross-border co-operation between unionists and Irish policy makers ceased. Moreover, unionist suspicions of Irish intentions seemed founded, for in the Republic emotions ran high in response to the conflict.

The apparent justification for unionist fears was the Arms Crisis of 1969. It emerged that members of the Irish government had apparently organised contacts with the IRA, so as to smuggle arms from the Irish state to nationalists in Northern Ireland. The Arms crisis was telling in that it was a reminder of the equivocal attitude of Irish policy makers towards the use of violence. Thus, the crisis was a reminder of the semi-constitutional origin of the state.

The Irish Taoiseach, Jack Lynch, was not among the accused in the subsequent arms trial, however, he too appeared taken aback by the surge in violence in Northern Ireland. On television, Lynch made a virulent plea for action and condemned the Stormont regime. Lynch announced that the Irish Army would set up hospitals along the border and demanded United Nations intervention. All this was needed, Lynch argued, because it was "clear that the Irish government can no longer stand by and see innocent people injured and perhaps worse" (quoted in Farrell, 1976, p. 261).

For the British government, the conflict initiated a time of peak crisis also. In the effort to contain the conflict, British troops entered Northern Ireland in 1969 the day after Lynch's dramatic speech. In 1972, Direct Rule from Westminster was imposed. Legislative action was the main prong of attack against the agents of violence. Internment without

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[4] It is arguable that the entire history of the conflict from 1968 to the present is a crisis situation for policy makers. However, the initial outbreak of violence caught policy makers unawares and it is clear that their initial behaviour constituted more sudden and spontaneous reaction than in subsequent periods of the conflict. Thus, the term 'peak crisis' is used to depict the early years of the conflict.

trial was introduced in 1972. However, as with previous security measures by the Northern Irish state, internment victimised the nationalist community more than its unionist neighbours. Consequently, the roots of nationalist frustration and anger, which had contributed to the outbreak of violence in the first place, were strengthened.

Whether or not the policy and behaviour of both the Irish and British governments were flawed, what was unequivocal was that both governments were obliged to intervene more deeply in Northern Irish affairs. The Irish government, clearly, empathised with the Catholic minority in Northern Ireland. The Arms Crisis, however, was the last episode of semi-constitutional governmental behaviour (Fitzgerald, 1993) and, henceforward, Irish formal co-operation was with the constitutional nationalist SDLP.

Again, cross-border co-operation with unionists was weak, thus, meaningful co-operation was absent. Unionists were alarmed by Lynch's speech, as well by as the Arms crisis and it was clear that intervention did not necessarily imply co-operation. It was also clear that the emergency measures of internment and Direct Rule were not solutions to the conflict.

v. The Cross-Border Relationship. Phase Four: Intergovernmentalism and the Search for Solution

Intergovernmentalism

Following the period of peak crisis, policy makers began to fumble in search of a political settlement. The search was marked firstly by the Sunningdale Agreement in 1973 and eventually culminated in the formal intergovernmentalist approach adopted by British and Irish governments in the 1980s. Intergovernmentalism had significant implications for the cross-border relationship.

Anglo-Irish intergovernmentalism refers to the co-operative relationship between the British and Irish governments, to resolve the conflict in Northern Ireland. The rationale for the intergovernmentalist approach is that whilst the British government is formally responsible for Northern Ireland, the Irish government is perceived, by constitutionalist nationalists, to be responsible for the nationalist minority in Northern Ireland. Thus, the SDLP and the Irish government

moved towards the idea that in any settlement, the Irish government must be a guardian of the nationalist minority, a safeguard against violations of that community's rights.

It was agreed by both the SDLP and the Irish government that there was an 'Irish dimension' to any future successful settlement. The argument was that, if the nationalist minority felt that it was protected by the Irish government, then it would be less likely to turn to the IRA for protection and, consequently, the level of violence in Northern Ireland would decrease. Intergovernmental co-operation was a way of incorporating such an 'Irish dimension' for, in communicating with the British government, the Irish government was kept abreast of British plans and could attempt to influence policy formulation and implementation.

For the British government, intergovernmentalism had other pay-offs. In particular, through closer co-operation with the Irish government, it was hoped that greater cross-border security co-operation would occur. The improvement of such co-operation was particularly necessary along the winding border which divided Northern Ireland from the Republic.

Thus, intergovernmentalism served the aims of the SDLP and the British and Irish governments. The Sinn Féin party (perceived to be the political wing of the IRA), which originally did not contest elections and, thus, which was not in the constitutional realm, was not included in any negotiations. However, even after 1982, when it decided to contest elections, Sinn Féin was excluded on the basis of its links with the IRA. Thus, it was not enamoured of the intergovernmental process.

Insofar as intergovernmentalism would improve the security situation along the border, it also aided unionist politicians. However, it was the cross-border element (the Irish dimension), which once again raised unionist objections. The inclusion of an Irish dimension obviously meant closer cross-border co-operation, if not with unionists, then with the Northern Irish civil service and, obviously, with nationalists in Northern Ireland. The role of the Irish government as a guardian of the nationalist minority in Northern Ireland was perceived by unionists to be a step on the slippery slope to Irish unity, a barely veiled Irish irredentist advance. Intergovernmentalism was not favoured by unionists.

Thus, both the Sunningdale Agreement of 1973, the Devolution Bill of 1982 and the Anglo-Irish Agreement of 1985 were all opposed by unionists.

The Sunningdale Agreement

In 1973, an attempted solution to the Northern Irish problem was agreed upon by the British and Irish governments and members of the SDLP, the Alliance Party and the UUP at Sunningdale. The Sunningdale Agreement not only had implications for cross-border co-operation, it attempted to *institutionalise* political cross-border co-operation.

The Sunningdale Agreement provided for a two tier Council of Ireland. The Council would consist of a Council of Ministers with seven Northern Irish and seven Irish members. The Council was to have executive powers in such areas as security, agriculture and electricity and it was intended that it would foster cross-border co-operation. Apart from the executive, there would be a Consultative Assembly with Dáil and Northern Irish parliamentary representation.

The meeting between British, Irish and the new Northern Irish devolved government was the first between all three since 1925. Apart from the existence of this tripartite conference, the intergovernmentalist approach was evident from the actual outcome of the conference. As in subsequent years, the SDLP and the Irish government were closely aligned. The British government for the first time appeared to believe there was an Irish dimension to any resolution of the conflict in Northern Ireland and observed in a Green Paper of 1972 that

> Northern Ireland was part of the geographical entity of Ireland and that it shared with the Republic certain common problems including the prevention of cross-border terrorism and (from January 1973) common membership of the EEC, and consequently, 'it is therefore desirable that any new arrangements for Northern Ireland should whilst meeting the wishes of Northern Ireland and Great Britain, be so far as possible acceptable to and accepted by the Republic of Ireland (O'Leary, Elliott and Wilford, 1988, pp. 31-32).

At the subsequent Sunningdale negotiations, the then British Prime Minister, Edward Heath, "threw his weight behind the SDLP and the Dublin government" (O'Leary, Elliott and Wilford, 1988, p. 36), so that

the proposed Council of Ireland would be consulted over the composition of a new police force in Northern Ireland.

The Republic, for its part, pledged to strengthen its campaign against the IRA and to foster cross-border security co-operation. Moreover, the Republic recognised that no change could occur in Northern Ireland's status, unless a majority of the population there wanted such change. Given the sensitivity of the Irish constitutional claim to Northern Ireland Irish recognition of Northern Ireland's constitutional status was of significance and was used by Faulkner, the leader of the UUP, in an attempt to persuade unionists to accept the agreement (O'Leary and McGarry, 1993, p. 198).

However, the Irish power to intervene in the appointment of a police force was a particularly bitter pill for unionists to swallow, for it was interpreted as giving the Republic control of Northern Irish policing. The proposed Council of Ireland was firmly opposed by unionists and in demonstration of their opposition unionist parties coalesced into a united front, the United Ulster Unionist Council (UUUC), spearheaded by the Vanguard Party and the DUP. Moreover, the Faulknerite UUP faced the 1974 General Election unprepared, with no electoral machine and few candidates (Farrell, 1977, p. 315). The UUUC had a landslide victory, winning 366,703 votes to Faulkner's UUP's 94,331 votes (Farrell, 1977, p. 315).

A general strike was called by a co-ordinating committee of unionists in the newly formed Ulster Workers Party and backed by the Ulster Army Council, a paramilitary committee. In May 1973, in the midst of political and paramilitary pressure, electoral defeat and strike action, the Northern Irish power sharing executive resigned. The Sunningdale Agreement had failed. Irish/Northern Irish cross-border co-operation was as elusive as before.

The Prior Initiative

This brief flirtation with institutionalised cross-border co-operation had failed, but the intergovernmentalist approach did not die. It was resumed more obviously, when Irish and British prime ministers, Charles Haughey and Margaret Thatcher met in 1980. The Republic of Ireland's and the SDLP's emphasis on an Irish dimension together with British omission of that dimension stalled the process in 1982. Events did not augur well for cross-border co-operation.

In 1982, James Prior, then Secretary of State for Northern Ireland, introduced a 'rolling devolution' plan, which aimed to ensure power sharing with minority representation. The Prior initiative reintroduced the Northern Ireland Assembly which had been provided for under the Sunningdale Agreement. However, the Assembly was to provide the Northern Irish government with few powers, until full devolution occurred. Devolution was to occur in stages, one department at a time (O'Leary, Elliott and Wilford, 1988, p. 68). Proposals for devolution would be made by the Assembly and six departments would be established by the assembly to over see the NICS.

For Irish politicians, there was no meaningful 'Irish dimension' in Prior's bill. Nationalists refused to take their seats and unionists dominated the new Assembly. Consequently, "it became a talking shop, a forum in which the rival unionist factions competed with each other" (O'Leary and McGarry, 1993, p. 213). In June 1986, the plan was officially shelved and the Assembly was dissolved.

Both the Sunningdale Agreement and the Prior initiative prepared the way for the Anglo-Irish Agreement, in 1985. Clearly, neither of the former two initiatives succeeded in improving the Irish/Northern Irish cross-border relationship. The Anglo-Irish Agreement went further in including an Irish dimension and had consequent implications for the cross-border relationship.

vi. The Cross-border Relationship. Phase Five: Intergovernmentalism and the Anglo-Irish Agreement

Intergovernmentalism in the 1980s was marked by its institutionalised nature. In other words, intergovernmental co-operation was not simply a question of *ad hoc* meetings and informal bargaining which could be suspended at whim. Instead, it was formal and treaty-based. Such intergovernmentalism was manifested by the signing of the Anglo-Irish Agreement in 1985. The 1985 Agreement was not a solution, but a framework for a solution to the conflict in Northern Ireland. The aim was to achieve a devolved power sharing government with adequate safeguards for minority representation in Northern Ireland. There were four main co-operative elements in the Agreement.

Firstly, the signing of the Agreement by the British and Irish governments represented intergovernmental co-operation. It reflected

hours of careful and detailed negotiation between the two governments. Moreover, representatives of both British and Irish governments, together with their civil servants were to meet every three to four months in what was termed the Intergovernmental Conference (IGC). As with all international treaties, the Agreement could be suspended only with the mutual agreement of the signatories.

Secondly, the Agreement reflected the pivotal position of the SDLP. The SDLP became a prime influence on Irish policy towards Northern Ireland and, thus, in the negotiations which led to the Agreement, an alliance between the Irish government and the SDLP deepened. Thus, the Agreement reflected the fact that one party, at least, in Northern Ireland was enjoying co-operative relations with the Republic. However, again, the fact that party was a constitutionalist nationalist one lessened the significance of such co-operation.

Thirdly, there was an explicit cross-border co-operative element under the Agreement. Article 10 was entitled "Cross-Border Co-operation on Security, Economic, Social and Cultural matters". As its name suggests, it provided for functional cross-border co-operation and had clear overlaps with EC regional policy (see p. 107). It would also engage a large number of Irish and Northern Irish civil servants in cross-border functional co-operation.

The fourth co-operative element also had a cross-border dimension. The Irish government insisted that any settlement must have an Irish dimension, that is, any proposed Agreement must allow for some sort of Irish protection of nationalist minority rights in Northern Ireland. One aspect of such protection was the establishment of a Secretariat at Maryfield, outside Belfast, to serve the community. The Secretariat acted as a type of ombudsman and was made up of both Irish and Northern Irish civil servants. The Agreement gave the Irish government the legal right to be consulted on all affairs of relevance to the nationalist minority in Northern Ireland. Clearly, an Irish dimension was a significant pillar of the treaty. In this way, the AIA provided for, not simply functional[5], but *political* cross-border co-operation.

Theoretically, the logic was that the Agreement would force unionists to alter their behaviour by preventing them from having an effective voice, unless they participated in a co-operative and

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[5] The functional aspects of the AIA will be discussed in chapter five.

constructive manner. Consequently, unionists were not consulted in the negotiations which preceded the Agreement. Thus, the Agreement in itself did not include a cross-border co-operative element as regards unionists in Northern Ireland. It did, however, contain a potential co-operative dimension. If unionists agreed to enter into negotiations on British and Irish terms, then they too would form part of the intergovernmental process.

In the meantime, in an attempt to reassure unionists, the Irish government recognised that the border did exist and that its demise could only occur if the Northern majority so wished. This recognition did little to calm unionist anger that not only the Republic, but now Britain were threatening unionist identity.

The effect of the Anglo-Irish Agreement on the cross-border relationship

The AIA was drafted with extreme delicacy and sensitivity. Its ambiguities were in a sense intentional, in that both British and Irish governments wished to appeal to as a wide an audience as possible. However, because of its ambiguity, the AIA was interpreted differently by unionists and nationalists. For unionists, it represented an erosion of British sovereignty and a form of power sharing between the UK and the Republic of Ireland. In contrast, for extreme nationalists, the Irish recognition of Northern Ireland's status, violated the Irish constitutional claim to Northern Ireland.

Unionists were vehemently opposed to the Agreement on the grounds that it allowed the Republic of Ireland to be consulted on internal Northern Irish matters, if those matters concerned the nationalist minority. Thus, Unionists argued that the Agreement eroded British sovereign rule of Northern Ireland and not only this, that it was signed by the head of a British government. In fact, the AIA fell far short of Anglo-Irish joint authority. For example, the then Irish Taoiseach, Garrett Fitzgerald, wished to have an Irish minister permanently based in Maryfield. In contrast, the IGC had no executive powers (O'Leary and McGarry, 1993, p. 224).

Unionists also resented the fact that, although the SDLP was consulted in the drawing up of the Agreement, they were ignored. In protest, the unionist-controlled councils called a local government strike, whereby councils would refuse to set local rates and

consequently all activity would freeze. In actual fact, the protest was not a success, for local auditors threatened to take action against the strikers (O'Leary and McGarry, 1993, p. 253). Given the failure of the local strike, unionists were divided on how best to destroy the Anglo-Irish Agreement (O'Leary and McGarry, 1993, p. 225). Evidently, the Agreement had done little to induce cross-border political co-operation with unionists.

Nor did the Agreement win the support of hardline nationalists, or indeed the constitutionalist Fianna Fáil party in the Republic. Whilst, Fianna Fáil's subsequent government supported the AIA once it gained office, the IRA and Sinn Féin, the IRA's political wing, remained in resolute opposition to the intergovernmental process. The AIA was condemned as an abandonment of the Irish constitutional claim over Northern Ireland. Thus, Sinn Féin aimed "to ensure that the AIA would not produce minority confidence in British government of the region tempered by an Irish dimension" (O'Leary and McGarry, 1993, p. 270).

The combination of both unionist and nationalist opposition led to a deteriorating security situation. In 1986, fatal casualties increased by twenty one per cent, largely because of loyalist activity (Arthur, 1986, p. 103). Both nationalist and unionist paramilitaries expanded their definition of what constituted a legitimate target to include persons who were not members of the security forces (O'Leary and McGarry, 1993, p. 270) and in the ensuing years the IRA increased its activities in Britain.

Yet, in the midst of the division, there were signs of political movement. Suggestions made by unionist leaders began to take the form of proposals for new political arrangements within Northern Ireland, *on condition* that the Intergovernmental Conference cease its activities. Thus, the UDA suggested a devolved government, if the Agreement would be suspended. Similarly, the DUP and UUP produced the "Task Force Report" in which they too mentioned a devolved government with power sharing, if the Agreement would be suspended.

By 1991, under the administration of the then Secretary for Northern Ireland, Peter Brooke, the "Strand talks" discussion began. The new strategy involved dividing negotiations into three separate strands. In the first strand, Brooke would speak to each party's representatives separately. In the second strand, nationalists (excluding

Sinn Féin) and unionists within Northern Ireland would meet together in conference. In the third strand all party talks between unionists and Irish politicians would take place. The third strand would signify cross-border co-operation. In 1991, the Intergovernmental Conference was suspended to allow the initiation of "Strand Two" talks. It was intended that these bilateral talks would be followed by Strand Three talks. Yet, the path to the Strand Three stage was a tortuous one. The Strand Two talks were delayed because delegates could not agree to a venue or chairman. In the midst of the controversy, Sinn Féin's suggestion that the talks take place in its Belfast office was particularly novel (Arthur, 1992, p. 113). Thus, the prospects for the cross-border talks seemed dim, for even the inter-party talks were ridden with obstacles.

As for the cross-border relationship, there was no shortage of tangible divisions. First and foremost, the 1937 Irish constitutional claim to Northern Ireland remained. The unionist argument was that this claim continued to cause fears of Irish irredentism and that some reassurance was required by unionists before they could engage in cross-border, all-party talks.

There was not a clear cut consensus among Irish politicians. Some politicians, including some members of the Labour party, the newly formed Progressive Democrats (1986) and the Workers Party, argued that unionist demands should be adhered to in this respect. Others, most notably, the Fianna Fáil party, resisted such constitutional change, on the grounds that unionists would have to guarantee that they would reciprocate, before Articles Two and Three were amended. Arguably, the constitutional question was one barrier to co-operation. Yet, the worry that, even if change occurred, unionists would still refuse to co-operate belied the Irish suspicion that Articles Two and Three were not the real barrier at all, but that the onus rested on unionist politicians.

A second and related obstacle to cross-border co-operation was that the Irish state did not appear to have moved closer to secularism, at least in its constitutional provisions. Thus, divorce and abortion were prohibited and unionists argued that to legislate against these acts was an example of Catholic authoritarianism. Consequently, there was little encouragement for unionists, or indeed Protestants to engage in all-party talks. The Irish government, it was argued, had made its position clear.

On top of these issues, tensions in the Anglo-Irish process overshadowed cross-border relations. Though, the Anglo-Irish relationship is not the concern in this chapter, it is noteworthy that there were differences of opinion between both governments over British administration of justice; over security policy in Northern Ireland and extradition in the Republic (Keatinge, 1990, p. 10) and over the failure to achieve fair employment in Northern Ireland (O'Leary and McGarry, 1993, p. 262).

By 1993, there was little evidence of significant Irish/Northern Irish cross-border political co-operation, although Anglo-Irish co-operation had increased. The twin necessities of compromise and bargaining in any political co-operative relationship were markedly absent from the Irish/Northern Irish relationship. On one level, it appeared that the intergovernmental process had failed to improve the cross-border relationship. Moreover, conflict continued.

Yet, it was also the case that the constant of death and destruction, the slogans of an ancient quarrel, masked the more subtle changes of Northern Irish politicians. Thus, some observers claimed that the Anglo-Irish Agreement aimed to bring about "attitudinal change" (Arthur, 1992, p. 111). In contrast to previous phases of the cross-border relationship, unionists were forced to negotiate, if not with the Republic, initially at least, then with the SDLP and the British government. The attitude of 'No Surrender' did not prove as effective a unionist weapon as on previous occasions.

Consequently, there is an argument that, although cross-border political co-operation was not underway by 1993, over time, both sides would make concessions and would engage in compromise. The new Irish government, in 1993, with the Labour leader, Dick Spring as Minister for Foreign Affairs, appeared less averse to the prospect of constitutional change, if not now, then later. Thus, a unionist leader speculated tentatively, that "there may be bilateral contacts, but these haven't developed yet" (McGuinness, 1993).

Such arguments do not alter the conclusion that cross-border political co-operation between unionist politicians and Irish politicians is absent for the period under survey. Moreover, for those who are at the heartland of the violence in Northern Ireland, arguments that depend on 'long run' scenarios are indeterminate, as grey as those which claim that economic co-operation can lead to political co-operation.

Conclusion

On one level, little has changed in the political relationship between Northern Ireland and the Republic of Ireland in over seventy years. Given the necessity that cross-border co-operation is not simply between nationalists in Northern Ireland and policy makers in the Republic, but between unionists in Northern Ireland and Irish policy makers, then none of the above phases in the cross-border relationship contain significant change.

However, the very identification of different phases does indicate that there are landmarks in the cross-border political relationship. One clear change is the difference in Irish and British policy towards Northern Ireland since 1921. Thus, insulation turned to interstate contact, then to panic intervention and lastly to intergovernmentalism. Though unionist behaviour remained strikingly similar for most of these phases, reaction to the Anglo-Irish Agreement did soften, as we have seen.

However, from the perspective of a study of the European Community and cross-border co-operation, what matters is that for the period 1988 to 1993, the existence of *political* cross-border co-operation between Northern Ireland and the Republic of Ireland, was absent. There was a clear distinction between the UK and Irish *governmental* relationship in the 1980s and 1990s and the relationship between Irish and Northern Irish politicians. Thus, the Irish/Northern Irish cross-border relationship remained weak. Moreover, a major stumbling block to Irish/Northern Irish co-operation was unionist fear that any cross-border co-operation was ideologically painted in shades of green. Conversely, for Irish policy makers, the suspicion remained that Irish concession-making would not be reciprocated by unionists. These fears have persisted from 1921 to the time of writing.

The relevance of these points is that much of the ground is cleared in terms of evaluating the EC's potential role in the cross-border relationship. It cannot be argued that political co-operation will lead to functional economic cross-border co-operation between unionist and Irish politicians, because political co-operation between unionist politicians and their Irish counterparts is absent for the period under examination. Moreover, even cross-border functional co-operation has been thwarted in the past, because of the constitutional

issue. In contrast, the EC may indeed be perceived to be a more neutral agent.

However, despite these positive assertions, one must enter words of caution. The IGC which was set up under the aegis of the AIA involves civil servants from both Northern Ireland and the Republic. It is to be expected that civil service cross-border co-operation would increase because of the AIA. Thus, for specific groups of actors of activity, the AIA may indeed increase cross-border co-operation. Politicians constitute only one group of agents to be studied in this thesis. Although, the AIA has not increased cross-border co-operation between politicians, it may increase co-operation between civil servants, between business people and it may even exert an influence over the Commission itself in EC policy towards the Northern Ireland/Irish relationship. In the remainder of this thesis, the relative significance of the AIA and the EC in improving the cross-border Irish/Northern Irish relationship across four groups of actors will be examined. The case studies begin with an examination of how the Commission itself views its role in the cross-border relationship.

Chapter Three

The Commission and Cross-Border Co-operation

Introduction

The weakness of the Irish/Northern Irish cross-border relationship is evident from the previous chapter. Neo-functionalism emphasises the importance of the European Commission in upgrading common interests so as to improve such a weak cross-border relationship. The Commission is assumed to exert a dynamic influence on state behaviour. A central question in this thesis is whether the Commission does indeed provide the dynamism and leadership to achieve a closer cross-border relationship between Northern Ireland and the Republic of Ireland. Evidence of dynamism falls into two categories: first, evidence that there is a greater number of common interests between Northern Ireland and the Republic of Ireland, as a direct consequence of EC policy initiated by the Commission. Second, evidence that the Commission is aware of and sensitive to the existence of conflict in Northern Ireland and seeks to use its policies so as to resolve that conflict.

In this chapter, I examine both these issues. In section two, I examine the specific EC policies which potentially up-grade common interests between Northern Ireland and the Republic of Ireland. These policies are: the creation of a Single European Market (SEM), EC regional policy; and the CAP reform of the Community's Common Agricultural Policy (CAP). In section three, I examine the question of whether the Commission is aware of the conflict in Northern Ireland and whether it perceives itself to have a role in resolving that conflict. Section three is based upon interviews with members of the European Commission and with members of the UK and Irish permanent representations in Brussels.

In conclusion, I will argue that EC *policy* may form a basis for increased cross-border co-operation and that, in this way, the Commission may have provided a general dynamism and may have upgraded common interests between Northern Ireland and the Republic of Ireland. However, whether or not such up-grading is successful depends upon the reaction of Irish and Northern Irish actors to EC policies. Moreover, the Commission follows the lead of the Anglo-Irish process in its approach to the conflict in Northern Ireland and, although individual Commission members are keenly aware of the need to resolve the conflict in Northern Ireland and to improve the cross-border relationship, there is no Commission

strategy as such. If there is a general observation to be made of the Commission's approach to the Irish/Northern Irish cross-border relationship, it is that the Commission is largely confused by and ignorant of the conflict in Northern Ireland.

It is essential before examining the Commission's specific role in the Northern Irish/Irish cross-border relationship to examine the theoretical role of the Commission in the EC's general decision making process. In the next section, I examine the role of the Commission in the EC's decision-making process, both in theory and in practice.

i. The Role of the Commission in the EC's Decision Making Process: Theory and Practice

Neo-functionalism, neo-realism and the formal powers of the Commission

For the devisers of the Treaty of Rome, the Commission was of central importance. Its role was set out as being three fold: to be the guardian of the Treaty of Rome, that is to ensure that the Treaty's aims and provisions would be implemented; to be the conscience of the Community and to guide the Community, and, finally, to initiate Community policy. Of these roles, the initiation of policy is the most important. Under the Treaty, the Commission must be independent of national governments and must promote and defend the interests of the Community (Arbuthnott and Edwards, 1979, pp. 21-23). Its policies must be compatible with this stipulation.

The power to initiate Community policies was vital in allowing the Commission to up-grade the common interests of its members in the way that neo-functionalists wished (see p. 12). The Commission would identify common interests so as to eliminate disagreements between states. It would interpret its formal role so as to extend its power and then it would include national policy makers in its policy formulation process. Thus, the Commission would exercise power in certain policy areas and would do so in conjunction with member states. Consequently, an integrated Europe under Commission control would develop.

The Council of Ministers was established under the Treaty of Rome to represent the ministers of all member states at EC level. For example, in discussions of the EC's CAP, agricultural ministers would

meet under the aegis of the Council. Similarly, the intended predominance of interest group demands in developing the Commission's powers (see chapter one) was reflected by the establishment of the Economic and Social Council (ESC), which would represent European umbrella interest groups. Moreover, the European Parliament (EP) was established to represent the parties of Europe. The Commission would consult with the EP, the ESC and with the Council when formulating its policies. The implication was that Community interest and individual state interests would be synonymous. The Commission would become the government of Europe. In this way, the Commission was deemed to be the "motor of integration" (Lodge, 1989, p. 37).

In contrast to this neo-functionalist vision, there was a contrary image of the Commission's role. Put bluntly, the Commission could not overcome the national interests of EC member states. According to neo-realists, the Commission's power to initiate policies is limited by the demands and interests of EC member states. The Commission reflects the interests of these states and, consequently, its dynamic role in developing an integrated Europe is undermined.

The evolution of the EC's actual decision making process provides mixed evidence as to the validity of neo-functionalist thought. The Commission is divided into twenty three departments, or Directorates General (DG), with seventeen Commissioners. All Commissioners meet weekly in the *college* of Commissioners. Each DG is divided into divisions with responsibility for a particular area of one general policy. Junior officials in each division are involved in the first steps of drafting a policy proposal. This draft then moves up along the Commission hierarchy, being revised where deemed necessary, until it reaches the college of Commissioners. Commission decisions on a proposal are reached normally by a qualified majority vote, but those in the minority are bound to the decision (Lodge, 1989, p. 39).

At all stages of the policy formulation process the Commission sounds out the opinions of other EC institutions. The Commission also consults with national civil servants in a manner which has been termed 'bureaucratic interpenetration': "the intermingling and enmeshing of civil servants at all levels and across the ever-widening range of EC decision-making" (Lodge, 1989, p. 40). Such was the significance of the Commission's interaction with the Council, that the decision making process has been described as "an interaction

between the Commission and representatives of the governments of member states" (Coombes, 1979, p. 86). Theoretically there was nothing wrong with such interaction for neo-functionalists. It was perfectly compatible with the neo-functionalist concept of *engrenage*, or meshing, whereby the Commission would engage states in its policy formulation process. The problem for neo-functionalists was that increasingly the Council of Ministers came to dominate the content of EC policy outcomes (Wallace, Wallace and Webb, 1983, p. 53). The interests of the Commission and of the Council did not mesh together. Moreover, the Council could block a Commission proposal by one state exercising its veto power.

The Commission for its part depended on Council support. It did not wish to antagonise member states with whom it would be working again and, consequently, it aimed always to achieve a consensus of opinion (Ludlow, 1992, p. 88). The result of this consensual style was that EC policy was watered down to comply with the wishes of as many member states as possible. Compromise was essential to the final policy outcome and, consequently, policies were incremental (Nugent, 1989, p. 249). The Commission did not appear to be able to exercise a leadership role, rather it was a hostage to the various self-interests of EC member states. In this way, the neo-realist analysis of the Commission's role appeared to be vindicated.

It appeared that the Commission had failed to up-grade common interests and that citizens of the EC's member states had not transferred legitimacy to the EC. Neo-functionalism looked remarkably foolish in the cold light of the 1970s. However, the SEA appeared to reflect a renewed Commission strength and dynamism. Institutional changes were introduced, the most significant of which was that no one state could block a Commission proposal. Instead, in all matters relating to the establishment of the SEM, a Council's qualified majority of votes in favour of a proposal would ensure that proposal's safe passage.

These institutional changes, by reducing the relative power of the Council and by attempting to increase the EP's power (see chapter five), appeared to reflect the Commission's dynamism and leadership qualities. It mediated, lobbied and harnessed national interests to its cause. The Commission was claimed to be "at the heart of the 1992 programme" (Ludlow, 1992, p. 85). One of the principal factors alleged to have contributed to the SEA was "the parachuting into office, from

1985 onward, of a remarkable group of politicians and officials, headed by Jacques Delors" (Ludlow, 1992, p. 86).

Arguably, the Commission, through its influence on the signing of the SEA, had upgraded common interests between Northern Ireland and the Republic of Ireland. If this "remarkable group" that was the Commission was a source of dynamic change, then could it not play a role in resolving the conflict in Northern Ireland and the intertwined tense cross-border relationship? In the next section, I examine the policies which the Commission initiated in the 1980s and which may up-grade common interests between Northern Ireland and the Republic of Ireland.

ii. The Commission and the Up-Grading of Irish and Northern Irish Common Interests

In the aftermath of the SEA, the argument was heard that there was now a clear basis for Irish/Northern Irish cross-border co-operation. The prescriptive argument was that in a Europe of the Regions the conflict in Northern Ireland was anachronistic and *should* be resolved, but there was also the argument that the SEA had provided a clear economic rationale for Irish/Northern Irish cross-border co-operation

Three main policies formed the basis of the economic logic of cross-border co-operation: the creation of the SEM, the reform of the CAP and the reform of EC regional policy. Arguably, the Commission by initiating these three policies up-graded common interests between Northern Ireland and the Republic of Ireland. In this way, neo-functionalism appeared to be validated. Of course, for neo-functionalism to be upheld it must first be shown that the Commission has, in practice, created a rationale for cross-border co-operation. I will now explore the above three EC policy changes, so as to determine the extent to which the Commission did indeed create a rationale for Irish/Northern Irish cross-border co-operation, that is the extent to which it up-graded common interests.

The Single European Act and the Single European Market

The establishment of the SEM

In 1985, a White Paper, entitled 'Completing the Internal Market'[1] was presented to the European Council by the Commission. The broad aim of this paper was to lay the foundations for the creation of a Single European Market (SEM). There were three main elements to the programme: the first was to weld together the twelve individual members of the EC into one market; the second element was to ensure that the single market would be an expanding market; the third element was to ensure that resources of people and capital could flow to areas of greatest economic advantage. The establishment of the SEM entailed the removal of physical barriers to trade (customs posts), the removal of technical barriers (different technical and safety standards in member states) and the removal of fiscal barriers (different tax rates in member states).

The rationale for the SEM arose from the relatively slow growth rates of EC member states compared to those enjoyed by the USA and Japan in the 1970s and early 1980s. Neo-liberals argued that the USA enjoyed faster growth than European states because it benefited from free trade within its large market. Free trade in Europe would deliver similar benefits to EC member states. The argument held by traditional trade theorists was that there were substantial gains to be made from free trade and the creation of a single market, where states concentrated on producing those goods which they produced most efficiently and imported all other goods. The argument was that by allowing free trade, imports and exports were made cheaper and economies enjoyed the benefits of greater efficiency (NESC, 1989, p. 17). The example of the USA, where free trade existed within a federal structure, was taken to support the argument that a single market would improve the economic prosperity of the EC.

The SEA encapsulated the aim of achieving the SEM and it reflected both the Commission's and the Council's support for the idea of the single market. The role of the Commission was vital in harnessing support for the single market and in mediating between the

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[1] Commission of the European Communities, White Paper (June 1985), *Completing the Internal Market*, (Luxembourg).

representatives of various member states (see p. 12). Such support was hardly surprising. An integrated Europe necessitated an integrated European economy. Thus, the SEM was a vital step towards a united Europe.

The SEM sought to erode economic barriers between states. Consequently, it had substantial implications for the Irish/Northern Irish cross-border relationship. The move towards the SEM would presumably increase trade and other contacts between EC member states. The proximity of Northern Ireland to the Republic of Ireland would provide ample opportunity for the logic of cross-border co-operation in the SEM to unfold. The SEM would provide common opportunities for cross-border co-operation. The removal of barriers to trade between Northern Ireland and the Republic of Ireland would create common incentives for actors on both sides of the border to trade. The establishment of the SEM was thus a clear example of how a Commission policy could up-grade common interests between Northern Ireland and the Republic of Ireland.

However, the effect of the SEM on the cross-border relationship was, potentially, far deeper than simply increasing trade between the two regions. The SEM did not simply mean that Northern Ireland and the Republic of Ireland, like any other EC regions in a single market, would trade. On the contrary, the SEM had implications for Northern Ireland and the Republic of Ireland which were specific to those two regions alone. The SEM up-graded their common interests in both a general way (by removing barriers to trade) and in a specific way. I will now consider the specific effect of the SEM on the Irish/Northern Irish relationship.

The SEM and the Periphery Regions.

The traditional exposition of the benefits of free trade was based upon certain assumptions. These assumptions allowed free trade theorists to contend that free trade would benefit all economies equally. In fact, a rival school of thought argued that a single market would actually harm the economies of poorer regions, the so-called peripheral regions.

The most fundamental classical assumption in economics assumes perfect competition (NESC, 1989, p. 21). In actual fact, empirical evidence showed that industrial production was highly concentrated. A small number of firms produced a relatively large

share of total output. These firms may have greater access to technology than other firms. Moreover, certain firms enjoy greater economies of scale than others. Thus, they possess an advantage in trade over other firms, because they face lower costs of production.

These imperfections in the market imply that free trade does not benefit all members of a free trade regime. According to at least one economist free trade increases economic inequality between richer and poorer economies (NESC, 1989, p. 27). The rich get rich and the poor get poorer. Large firms will continue to grow in a larger market. Indeed, the average size of industrial enterprises is correlated with the size of the relevant market (ibid). For example, the growth of trade between 1963 and 1978 increased the size of production units in Germany, Italy and the UK (ibid).

Those regions which possess larger firms and economies of scale, as well as having access to technological innovation, will be more efficient in a free market. Given the free flow of capital and of people within a SEM, investment will flow to the richer areas of the SEM, given uniform wage rates. Consequently, the poorer areas of the EC will suffer from under investment. Moreover, in a free market, poorer high cost economies will be flooded by cheaper more competitive goods from richer regions of the EC. Economic growth will be stunted in these poorer areas. The SEM far from benefiting all regions of the EC will in fact benefit the richer so-called Golden Triangle of the EC, which in 1988 was said to encompass Germany, France, the South East of England and the Benelux.

The relevance of these economic effects to the Irish/Northern Irish cross-border relationship is that both Northern Ireland and the Republic of Ireland share common economic problems. The EC has identified both regions as poorer regions of the EC (Report of the ERDF, 1988). In 1985, the Republic was the region with the second most severe economic problems in the EC, whilst Northern Ireland had the fourth most severe problems (NIEC and NESC, 1988, 3.7) These problems included low economic growth and high unemployment.

Moreover, with the completion of the Channel Tunnel, both Northern Ireland and the Republic of Ireland will be the only EC regions separated by sea from continental Europe. These regions will face higher transport costs which will undermine their competitiveness. As poorer regions, both areas will suffer the detrimental effects of the

SEM: under- investment, loss of competitiveness, and increased outside competition on the home market.

The problems faced by Northern Ireland are not shared to the same degree by their nearest neighbour, Britain. Britain is nearer to continental Europe than are Northern Ireland and the Republic of Ireland and, although it is the fourth poorest state in the EC, it is nonetheless wealthier than both Northern Ireland and the Republic of Ireland. The difference between the Northern Irish and British economies leads to the argument that Northern Ireland has more in common economically with the Republic of Ireland, than it does with Britain. Consequently, Northern Ireland should co-operate more closely with the Republic of Ireland in its economic policy.

The argument is not simply prescriptive. On the contrary, it is argued that the Republic of Ireland and Northern Ireland by co-operating with each other can minimise the economic losses which may emanate from the SEM and maximise benefits from the opportunities of the SEM. Businesses on either side of the Irish/Northern Irish border, by co-operating with each other, may maximise economies of scale, so as to decrease their costs of production. Thus, they will be more competitive. Arguably, then, the SEM provides strong economic incentives for actors in Northern Ireland and the Republic of Ireland to co-operate with each other, not only by increasing trade, but by forcing actors to develop business links so as to combat the SEM's threat. In this way, the Commission, by providing the dynamism for the SEM, has up-graded common interests between Northern Ireland and the Republic of Ireland.

The potential of the SEM to accentuate economic differences between rich and poor regions of the EC necessitated greater Commission emphasis on its EC regional policy, so as to compensate these poorer regions for their losses. The consequent reform of EC regional policy in 1988 provided another example of the Commission upgrading common interests between Northern Ireland and the Republic of Ireland.

European Community Regional Policy

The Single European Act's emphasis upon achieving a Single European Market by 1992 (later the deadline became 1993) meant that poorer regions of the EC were threatened by the prospect of weakening

economic performance, whilst their richer neighbours would benefit from the SEM. A stronger EC regional policy was imperative to compensate the poorer regions of the EC for the losses they would incur. Moreover, such a regional policy was necessary, to gain the support of Spain, Portugal, Greece and the Republic of Ireland, for the SEA. The result of these pressures for change was the 1988 reform of EC regional policy. It is this reform which has the potential to upgrade common interests between Northern Ireland and the Republic of Ireland.

The 1988 reform of EC regional policy

EC regional policy, from the foundation of the Community to 1988, was weak.[2] Up until 1984, each state was guaranteed a fixed share of EC regional aid. Regional policy funds consisted of this quota section, whereby every member was entitled to a certain quota. As such, the Commission could not refuse to give the fixed sum of financial aid and, consequently, it could not influence the type and location of regional projects undertaken in the member states.

Although two reforms of EC regional policy, in 1979 and in 1984, gave the Commission greater control over how EC money was spent by introducing non-quota section aid, the impact of the EC on its member's regional policy was minimal.[3] By 1987, the total size of the European Regional and Development Fund's budget was only 8 per cent of the total Community budget (Armstrong, 1989, p. 179). The 1988 reform of EC regional policy altered this situation[4] and appeared to give the Commission more influence over how EC money was spent by member states. It also appeared to provide grater incentive for Irish/Northern Irish cross-border co-operation.

The 1988 reform provided more money for regional policy. The amount of regional aid for the period 1989 to 1992 was doubled. Rather

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2 For a brief histroy of EC regional policy, see Armstrong, H., (1985), 'The Reform of EC Regional Policy', in *Journal of Common Market Studies*, Vol. 23, No. 4, June, pp. 319-343, and Armstrong, H., (1989), 'Community Regional Policy', in Lodge, J. *The European Community and the Challenge of the Future*, (London, Pinter), pp. 167-186.

3 Council regulation (EEC), No. 1787/84, of June 19 1984, on the European Regional Development Fund, *Official Journal of the European Communities*, OJ L35, 9.2.79, and OJ L169, 28/6/84.

4 *Official Journal of the European Communities*, OJ L374, 31.12.88.

than spread EC money thinly over many EC regions, the decision was made to concentrate money on the poorest regions of the EC. Four different regional funds: the ERDF, the European Social Fund (ESF), the Guidance section of the European Agricultural Guidance and Guarantee Fund (EAGGF) and the European Investment Bank (EIB) were all subsumed under one umbrella: the Structural Funds. Thus, the disparate funds were integrated into one EC regional strategy. The aim was to achieve better co-ordination of EC regional policy.

The EC identified its poorest regions as priority regions and called them Objective One regions. These regions were identified on the basis of their unemployment and growth rates and their average income per head of population. Objective One regions were those whose overall economic status was at least 75 or less of the Community average. A successful Objective One applicant could receive up to 75 per cent of the total cost of a project. The EC by providing more money provided incentives for Objective One regions to co-operate closely with Commission officials.

The Commission attempted to make use of its financial bargaining power by including a greater element of conditionality in its regional policy. Under the new rules governing EC regional policy, successful applicants had to meet a number of EC conditions, before they could receive EC aid. The Commission stipulated that states draw up a national development plan and subsidiary programmes (operational programmes) to cover various policy areas. These programmes would be financed by what was called the Community Support Frameworks (CSFs). The Commission stipulated that central authorities, when drawing up the programmes, would consult with sub-national actors — local councillors, local agencies and business communities. If such consultation did not occur, then an operational programme would not be accepted by the Commission.

In this way, the Commission was intent that its aid be made conditional on states applying the principle of subsidiarity to decision making, where no decision would be made at central level, unless the central level could make that decision with greater efficiency than local level. Moreover, the Commission made its aid conditional on a principle of partnership, whereby central actors, sub-national actors and Commission representatives would participate on committees so as to oversee the implementation of the operational programmes. To

this end, monitoring committees were established to supervise the programmes.

The 1988 reform also provided money for Community special programmes.[5] This money would be provided over and above that provided by the CSFs. Again, the provision of money was contingent on states complying with certain EC conditions. The Commission emphasised a general programme approach to regional policy. It sought to develop a long term European regional strategy, rather than short term *ad hoc* projects. Its insistence that each state draw up a strategic four year development plan reflected this aim.

Thus, special cross-border programmes were introduced, which would not simply be back to back projects, but had to be formulated jointly by two state authorities. These programmes had to be overseen by a monitoring committee, which represented sub-national, central and Commission representatives In 1990, the Commission introduced the Interreg programme:

> to assist both internal and external border areas of the Community in overcoming the special development problems arising from their relative isolation within national economies and from the Community as a whole (Com, 90/c 215/04)[6].

Applications for Interreg aid were open to all EC member states, including the Republic of Ireland and the UK. An Interreg programme was agreed on the Irish/Northern Irish border regions, which included all of Northern Ireland (apart from Belfast) and the five Irish counties which adjoined Northern Ireland. Consequently, EC money was ear-marked for Irish/Northern Irish co-operative schemes. Thus, Northern Irish and Irish policy makers were given the incentive to co-operate with each other if they were to receive EC aid. Such money clearly upgraded common interests between Northern Ireland and the Republic of Ireland. If these regions did not co-operate with each other, they would both lose EC money.

Similarly, the Leader programme was introduced for community involvement in rural development. Under this programme, local

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5 For a more thorough account of the EC's Special Programmes, see chapter four.

6 Notice laying down guidelines for operational programmes which member states are invited to establish in the framework of a Community initiative concerning border areas (Interreg), *Official Journal.* OJ L 215 30/8./1990.

communities could apply for EC money, to undertake small development projects. Thus, theoretically, local communities who shared similar geographical and land difficulties on either side of the Irish/Northern Irish border could send in a small development proposal to the EC. Leader, although not a cross-border programme had cross-border implications for the Republic of Ireland and Northern Ireland.

All these changes upgraded common interests between Northern Ireland and the Republic of Ireland. The Republic of Ireland was identified as an Objective One region *in toto*. Similarly, Northern Ireland was identified as an Objective One region and was the only Objective One region in the UK.[7] This common status implied that the Commission perceived Northern Ireland and the Republic of Ireland to have common economic problems. The argument that the SEM would have a similar and potentially damaging effect on both Northern Ireland and the Republic of Ireland was thus reflected by the Commission's decision. In this way, the existence of common interests between Northern Ireland and the Republic of Ireland was highlighted by the Commission.

The 1988 reform of EC regional policy upgraded common interests between Northern Ireland and the Republic of Ireland. The move towards the SEM and the reform of EC regional policy coincided with EC intentions that the CAP would also be reformed. The reform of the CAP is a third policy change which potentially up-grades common interests between Northern Ireland and the Republic of Ireland.

The Reform of the Common Agricultural Policy

Both Northern Ireland and the Republic of Ireland share another significant common interest, apart from being peripheral regions of the EC. Both are significantly dependent on agriculture. Consequently, both are dependent upon the EC's Common Agricultural Policy for economic support. The reform of the CAP, to curb farmers' production in the EC, threatens both Northern Irish and Irish interests. Just as the SEM by threatening Northern Irish and Irish interests provides incentives for cross-border co-operation, then theoretically so too does

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[7] In January 1993, the Commission announced that Scotland and Merseyside would be designated as Objective One regions.

the threat posed by CAP reform, encourage cross-border co-operation. The implication is that farmers' unions on both sides of the border will co-operate and to lobby jointly EC and national authorities against CAP reform.

To understand fully the scope for such cross-border co-operation, it is essential to examine why the CAP is so important for Irish and Northern Irish economies and why its reform is so potentially dangerous to both these economies.

The CAP of the European Community

Articles 38 to 45 of the Treaty of Rome provided for the establishment of a Common Agricultural Policy. The aim of this policy was at that time primarily to increase production of food supplies. Apart from this aim, the CAP sought to ensure fair standards of living for farmers and to ensure reasonable prices for consumers (Treaty of Rome, 1958, Article 39). Emphasis was placed upon maintaining farm income and developing a price support system for agricultural producers.

The price support system entails the setting of a price level, which ministers wished to exist within the Community (a target price). Should prices fall below a certain level, the EC guarantees that it will buy up stocks of surplus at a guaranteed price (the intervention price). Thus, prices can move only between the limits of the target price and the intervention price (Marsh, 1989, p. 151). Moreover, levies could be placed upon imports of agricultural goods, should these goods fall below the target price. Thus, outside competition was prevented from threatening the market for agriculture within the EC. Money for the price support system came from the Guarantee Section of the EAGGF.

In contrast, the Guidance Section of the EAGGF provided financial help for farmers to modernise their farms. It encouraged the amalgamation of small unproductive farms into large efficient farm units. A number of methods were introduced to stimulate structural change. For example, interest rate subsidies were introduced to help finance investment in farm modernisation. Loans were guaranteed by the EC, for those farmers who lacked security to guarantee re-payment (Fennell, 1987, p. 181).

There was a strong potential overlap between the work of the Guidance Section and that of the ESF and the EIB. For example, for those farmers who left their land, there would be retraining for another

profession (Fennell, 1987, p. 177). However, the significance of overlap between the CAP and EC regional policy was not immediately apparent. Farmers and national representatives of the farming states were far more enthusiastic for the CAP's price support system than for its structural policy. The Guarantee Section of the CAP which financed price support, accounted for over 63 per cent of Commission expenditure in 1985, whereas the Guidance Section accounted for only 2 per cent (Fennell, 1987, p. 73). The Guidance Section was very much the poor relation of the Guarantee Section.

The greater emphasis placed upon the Guarantee section of the CAP suited Irish and Northern Irish farmers. Both the Republic of Ireland and Northern Ireland gained from the price support system. As both economies were relatively dependent upon agriculture, the EC's subsidisation system benefited these two regions. In Northern Ireland, 1.1 hectares out of every 1.4 is used for agriculture (NIEC and NESC, 1988, 5.8). The agricultural sector employs twice as many people in Northern Ireland as in Britain (ibid). In the Republic of Ireland, agriculture employs five times as many people as in Britain and twice as many as in France (ibid). Similarly, if expressed as a percentage of GDP, agriculture is twice as important for Northern Ireland than for Britain. Moreover, the structure of farming in Northern Ireland is more similar to that of the Republic of Ireland than that of Britain. In Northern Ireland and the Republic of Ireland, holdings are smaller and there is greater dependence on grass land products than in the UK.

The implication is that Northern Ireland and the Republic of Ireland have a keener interest in the maintenance of the CAP price support system, than has Great Britain. This implication is strengthened by the fact that whilst Northern Ireland and the Republic both benefit from CAP expenditure and from EC regional policy, Great Britain's authorities argue that such EC expenditure undermines Great Britain's economic interests. Thus, whilst Irish politicians welcomed the protection of small and medium-sized farms, in a 1991 Commission 'reflections' paper, British representatives were opposed to the shielding of small farmers on the grounds that it would burden the Community (European Commission, 1991).[8]

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[8] European Commission, London, Background Report: *Reforming the Common Agricultural Policy*, 24 March 1991.

UK authorities argue that the UK pays more to the EC than it actually receives in the form of EC handouts. In contrast to Northern Ireland and the Republic of Ireland, the UK as a whole is a net contributor of finance to the EC. The former regions are net recipients from the EC. Overall, whilst the price support system was welcomed by Irish and Northern Irish policy makers, it stimulated British demands for a lessening of the CAP burden of expenditure.

In short, Northern Ireland and the Republic of Ireland share common agricultural interests and in this respect are economically separate from their nearest neighbour. Agriculture would have been important to Northern Ireland and the Republic of Ireland in the absence of the CAP. Farm structure would no doubt have been broadly similar in the absence of the CAP. The CAP did not create a common interest in agriculture, however, both Northern Irish and Irish policy makers and farmers did have a shared interest in the continued existence of the CAP, in particular of the price support system. In this way, the CAP upgraded the Irish and Northern Irish shared interest in agriculture.

This shared interest was all the more marked because Northern Ireland, as a region of the UK, relied on UK ministers to protect its interests in Brussels. However, given that the British government did not share Northern Irish agricultural interests, it would be potentially difficult for Northern Irish policy makers to influence the CAP as they would wish. The fact that Irish farmers' interests *were* represented fully by Irish ministers of state in Brussels gave Irish farmers a channel of influence. Arguably, Northern Irish farmers would benefit more by joining with their Irish counterparts and being informally represented by Irish ministers in Brussels, than by unsuccessfully lobbying an unsympathetic Whitehall. Thus, theoretically, the need to preserve the price support system in the face of British dislike of that system provided an incentive for cross-border co-operation between Northern Ireland and the Republic of Ireland.

Consequently, the maintenance of the EC's price support system constituted a shared interest between Irish and Northern Irish policy makers. Any threat to the existence of the price support system had the potential to up-grade this common interest. The proposals by the Commissioner for Agriculture, Ray MacSharry, to reform the CAP in 1987 proved to be the most far reaching reform proposal for agriculture in the Community. As such, the MacSharry proposals were

another example of the Commission up-grading common interests between Northern Ireland and the Republic of Ireland.

The MacSharry CAP Reform Proposals.

Between 1977 and 1981 production of cereals, sugar and milk had increased by between 20 and 25 per cent (Neville-Rolfe, 1984, p. 9). Moreover, guarantee spending increased by over 40 per cent between 1984 and 1987 from ECU 18,372 m. to ECU 27,305 m. (NIEC and NESC, 1988, 5.3). Three product categories were responsible for more than half the total amount of expenditure in 1987: milk, cereals and beef. The increase of surpluses in these products and the increasing burden of CAP expenditure had been criticised long before 1987. However, the fact that the CAP accounted for 75 per cent of total Community expenditure in 1987, meant that resources which were badly needed to implement the provisions of the SEA (for example, the reformed regional policy), instead were being spent on the CAP. Thus, the establishment of the SEM necessitated the reform of the CAP.

The Commission called for the control of production and of CAP expenditure and for the reduction of its surplus stocks of agricultural goods (Com (87) 100)[9]. In effect, the Commission set about dismantling the price support system so valued by Irish and Northern Irish farmers. In particular, the attempt to lessen the cost of dairy and beef sectors was a threat to Northern Ireland and the Republic of Ireland. Both these product ranges were of high significance to farmers on both sides of the border.

In 1991, it was proposed that the price of cereals would be cut by 35 per cent. Similarly, the intervention price for beef would be cut by 15 per cent and milk prices would be reduced by 10 per cent. The Commission emphasised that farmers would be paid compensation to help them adjust to the price cuts. Moreover, it was argued that, in the long run, agriculture would actually be healthier.

Farmers in the Republic of Ireland and in Northern Ireland worried that direct aid was an impermanent policy and a poor substitute for price support. Farmers organisations and civil service departments set about forecasting the damage which would occur to

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9 European Commision,*"Making a Success of the Single Act - A New Frontier for Europe*, COM (87) 100 final, Brussels, 15 February 1987.

farming income and, indeed, to the Irish and Northern Irish economies. If the existence of a common threat up-graded common interests between Northern Ireland and the Republic of Ireland, then the MacSharry proposals fit the bill. The Commission by attempting to dismantle the price support system had provided a common external threat for Northern Ireland and the Republic of Ireland. In this way, a third Commission initiative in the late nineteen eighties up-graded Irish and Northern Irish common interests.

However, although the existence of three fundamental policy initiatives provides tangible evidence that the Commission up-graded common interests between Northern Ireland and the Republic of Ireland, it is clear that the *actual* effect of EC policy reform depends partly on the degree to which actors in Northern Ireland and the Republic of Ireland respond to EC initiatives. This question is, of course, the subject of this thesis. However, there is another factor which determines the effect of the Commission policies on the cross-border relationship and that is the attitude and behaviour of the Commission itself.

EC regional policy, the establishment of the SEM and the reform of the CAP are all general EC policies. Although these initiatives may have the effect of up-grading common interests between Northern Ireland and the Republic of Ireland, they were not devised solely with the Irish/Northern Irish cross-border relationship in mind: "the Commission tries to widen borders. It is a general principle" (confidential interview, European Commission). Many of the poorer EC states lobbied for regional policy reform, including Spain, the Republic of Ireland and Greece. Similarly, the SEM and the reform of the CAP were EC-wide policies. It is necessary, then, to examine the extent to which the Commission wishes to take advantage of these up-graded common interests, so as to improve the Irish/Northern Irish cross-border relationship *specifically*. To what extent does the Commission care about the specific problem of the Irish/Northern Irish relationship and the deep-rooted conflict, which has hindered that relationship's development?

iii. The Commission and the Irish/Northern Irish Cross-Border Relationship

The role of the Commission in improving the Irish/Northern Irish cross-border relationship is open to various interpretations. On the one hand, the Commission may upgrade interests between both regions by initiating the above policies and, in so doing, the Commission plays a dynamic leadership role (Sandholtz and Zysman, 1989, pp. 107-108).[10] Such dynamism would imply that the Commission has the will to devise strategies and specific policies, to improve the cross-border relationship and to help resolve the conflict in Northern Ireland. Such a will would not be surprising, given the fact that conflict in any region of the EC is an impediment to integration.

On the other hand, the Commission upgrades common interests between Northern Ireland and the Republic of Ireland 'by accident', in that the establishment of the SEM, the reform of regional policy and the CAP were decided upon because they reflected the interests of specific EC states, not because of the Irish/Northern Irish cross-border relationship. According to this view, the Commission may fulfill neo-functionalist hopes only partly by initiating policies which up-grade common interests between Northern Ireland and the Republic of Ireland. However, the Commission does not provide dynamism and does not have a policy for Northern Ireland. It does not concern itself with that conflict. EC regional policy would be expected to affect the Irish/Northern Irish cross-border relationship, but only as it would any other peripheral regions in the EC. Such change is not part of a Commission dynamism with respect to Northern Ireland and the Republic of Ireland.

I will now examine these two interpretations of the Commission's role in the Irish/Northern Irish cross-border relationship, in the light of evidence gathered from interviews with members of the European Commission and of the UK and Irish Permanent Representations in Brussels. Members from the relevant EC Directorates General were interviewed, that is, from the Regional Policy

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[10] It must be noted that, although I cite Sandholtz and Zysman here, in their 1989 article they do not contend that the Commission is the only decisive factor in explaining the SEA, but focus also on élite bargaining relations. Rather than being described as neo-functionalists, they are intergovernmental institutionalists. However, they do emphasise the leadership role of the Commission.

Directorate (DGXVI), the Agricultural Directorate (DG XI) and also the now abolished Structural Funds Co-ordination Directorate (DGXXII).[11] Following an examination of how the Commission might be perceived to be a dynamic force in improving the cross-border relationship, I argue that, in fact, the Commission is passive in its approach to the conflict in Northern Ireland.

The Commission as a Dynamic Leader

A vital precondition for the Commission to be dynamic and to play a leadership role is that it is united into one body and as such represents the European Community, not individual member states, and develops an integration strategy in a rational co-ordinated manner. It is important to determine the extent to which the Commission is such a corporate body with respect to Northern Ireland. If it is not, then, arguably, there will be little evidence of a strategic approach to the conflict in Northern Ireland. In this section, I present the argument that the Commission is such a unified rational actor.

In an impressionistic sense, the Commission can be seen to override the petty protection of state interests. British, Germans, Italians and Irish work together on common programmes with common aims. They may have a strong affection for that country with which they are working, regardless of their own national origin. The role of the President of the Commission is vital in moulding members from different national backgrounds into one unit (Tugendhat, 1987, p. 141). Jacques Delors has been given particular credit for ensuring a unified and, of course, dynamic Commission. Thus, the Commission "sees itself as becoming a government, with the President chosen indirectly by the Council, endowed with a rubber stamp democratic legitimacy by the Parliament, and then able to choose one Commissioner from each state" (Brewin and McAllister, 1991, p. 386).

Thus, for many writers, the Commission is assumed to be a corporate entity whose aim is to protect the European Community and to promote the common interest between its members:

> From the outset, the European Community was an arena for negotiations over the definition of common interests in relation to substantive issues ... Those who worked within the

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11 DG XXII was abolished in January 1993.

> Community institutions were continuously preoccupied with extending its policy scope and the authority of the EC as a means of achieving the dynamism from which political integration might follow (Wallace, Wallace and Webb, 1983, p. 44).

Similarly, a member of the UK Permanent Representation in Brussels commented that "the Commission institutionally is an organisation looking for European integration and using Interreg to achieve it" (Interview, official UK Permanent Representation, April 2 1993).

In this way, the Commission does have a strategy with respect to Northern Ireland and the Republic of Ireland. Interreg is a part of this strategy to achieve European integration by improving the Irish/ Northern Irish cross-border relationship. The Commission has two objectives in implementing Interreg: the first is to help the Republic of Ireland and the Republic of Ireland to adapt to the SEM and the second is to advance cross-border co-operation (Interview, European Commission, March 31, 1993). On the basis of these two objectives, Interreg was developed. True it was not developed purely for Northern Ireland and the Republic of Ireland, but the Commission is well aware of using Interreg's potential so as to help alleviate "suffering" in Northern Ireland (Interview, European Commission, April 5, 1993). The argument proposed by some members of the Commission was that:

> Interreg can ... contribute to getting communities to work together. In the last two years, a lot has started happening. The Confederations of Industry and the Chambers of Commerce have started working closer together (Interview, European Commission, April 2, 1993).

Interreg is the mainstay of Commission officials' rhetoric, when asked about the Irish/Northern Irish cross-border relationship. The negotiations which preceded the first Interreg programme are cited as evidence of the Commission's effect on the Irish/Northern Irish cross-border relationship. The Commission drafted its proposals for the Interreg initiative in February 1989. Irish and Northern Irish civil servants, excluding members of the Northern Ireland Office and the Anglo-Irish Division, were invited to meet with the Commission in that same year. The Irish and Northern Irish representatives:

> ... became one team and once they copped on to what the Commission wanted, they worked out how to suit it ... The

> Commission had more say — we wanted cross-border schemes, not back to back (Interview, European Commission, April 5, 1993).

The Irish and Northern Irish civil servants engaged in a process of horsetrading under the watchful supervision of the Commission. For example, the Irish representatives agreed to include a project to develop Lough Neagh at the behest of the Northern Irish representatives and, in return, the Northern Irish representatives agreed to put in a joint proposal with their Irish colleagues to complete the Ballyconnell canal (Interview, European Commission, April 5, 1993). Such bargaining is a clear example of co-operation. Co-operation existed because neither the Irish nor the Northern Irish would ever turn down EC money (Interview, European Commission, April 5, 1993).

In this way, the Commission provided a very real incentive for cross-border co-operation. Commission officials who were engaged in the negotiations were keenly aware of how EC money might be used so as to improve the cross-border relationship:

> How the money is used need not be insignificant, even if the size is. We can say "No we won't fund it, if you don't comply". The EC has spread co-operation further down ... but without entering into the politics of the thing — holding out that this makes sense ... Occasionally, things get political, but we don't pay any attention ... We've done our best to be even handed (Interview, European Commission, April 5, 1993).

Thus, Interreg is a key argument for those who claim that the Commission has played a role in helping to improve the cross-border relationship. Not only is it the principle of Interreg that is important — that Irish and Northern Irish representatives are sitting at the same table bargaining and implementing — but Commission officials also cite more tangible aspects. For example, a number of Commission officials believed that the amount of money to be provided for Interreg for the next Programme period would be substantially larger than that provided for the period 1991 to 1993. Consequently, the Commission should provide an even greater incentive for cross-border co-operation.

Another example of the Commission's dynamic role in the Irish/Northern Irish cross-border relationship relates to the designation of Northern Ireland as an Objective One priority region. Northern Ireland with an average income per head that was 77 per

cent of the Community average, did not meet the EC condition that Objective One regions should have an average income of, at most, 75 per cent of the Community average. However, Northern Irish officials lobbied vigorously that Northern Ireland should be defined as an Objective One region.

The main reason Northern Irish lobbyists gave for their demand was that the Republic of Ireland was also lobbying to be an Objective One region and Northern Irish representatives wished to develop cross-border projects with the Republic of Ireland (Interview, European Commission, 2.4.93). This explanation, however, was deemed by one Commission official to be "a pretty lame excuse" (Interview, European Commission, 2.4.93). The real reason was that Northern Irish representatives wanted the increased amount of EC aid which would be forthcoming, should Northern Ireland be an Objective One region. However, the reason why the Commission assented to the Northern Irish request to be an Objective One region was purely because of the existence of conflict in Northern Ireland (Interview, European Commission, 2.4.93). The case of Northern Ireland's Objective One status reveals two main points. The first is that the Commission appears to be aware of the specifics of the conflict in Northern Ireland. So much so, that it bent its own rule, so as to accommodate Northern Ireland as an Objective One region. The second point is that Northern Irish representatives were prepared to use the cross-border co-operation carrot, so as to receive more EC money. Thus, the Commission apparently has substantial bargaining power in improving Irish/Northern Irish cross-border co-operation.

These points imply that the Commission is indeed a dynamic force in the Irish/Northern Irish cross-border relationship. The Commission is argued to be a unified strategic policy maker. Through Interreg, it has deliberately increased cross-border co-operation. Moreover, the Commission is willing to provide more money for Interreg in the future. It is aware of the conflict in Northern Ireland and it has been willing to alter its criteria for identifying Objective One regions, so as to help alleviate suffering there. In this way, the effect of policies which up-grade common interests between Northern Ireland and the Republic of Ireland on the cross-border relationship, is not merely accidental. These policies are harnessed by the Commission so as to have *specific* effect on the Irish/Northern Irish cross-border

relationship. However, as I explain in the next section, there are numerous problems with the above argument.

The Commission as a Passive Reactor

The Commission far from leading Northern Ireland and the Republic of Ireland to co-operate is actually passive in its response to the conflict in Northern Ireland and the poor Irish/Northern Irish cross-border relationship. The neo-functionalist image of the Commission as a dynamic force in the Irish/Northern Irish cross-border relationship is open to criticism. There is evidence to suggest that the Commission is limited in its effect on the cross-border relationship. There are four main criticisms of their statement that the Commission provides dynamism to increase Irish/Northern Irish cross-border co-operation: First, contrary to what was suggested above, the Commission is not a unified strategic actor; second, the Commission is not a supranational actor; third, the Commission does not always make allowances for the conflict in Northern in its policy, as it did when it defined Northern Ireland as an Objective One region and, finally, the policy initiatives which are claimed by some to up-grade common interests between Northern Ireland and the Republic of Ireland, may not be so effective.

The Commission as a Unified Strategic Leader

The main assumption to be questioned more deeply is that of the Commission being a unified corporate entity which aims to protect the Community interest. If the Commission is not such a unified institution, then it is more difficult to speak of it having any strategy at all with respect to Northern Ireland and the Irish/Northern Irish cross-border relationship. On the contrary, individuals within the Commission may have their views on Northern Ireland, but the Commission as such does not. It is necessary to distinguish between the Commission as an institution and the Commission as groups of individuals, each with their own priorities and interests.

This point was confirmed by a majority of those who were interviewed: "You have to look at the individuals involved in the Commission. Look at their aspirations in the Irish unit — there's a fair amount of opportunity to act on your own discretion" (Interview, UK Permanent Representation to the EC, April 2, 1993). In contrast, it was

remarked that "the EC as such, doesn't have a view" [on the conflict in Northern Ireland] (Interview, European Parliament, March 31, 1993). Similarly, another official stated that "There isn't a Commission line on Ireland" (Interview, European Commission, March, 31, 1993).

Perhaps the most telling evidence of the absence of a Commission strategy for Northern Ireland and the Irish/Northern Irish cross-border relationship is a revealing quote from Jacques Delors made during his visit to Derry/Londonderry in 1992. There, when asked about the EC's management of the crisis in the former Yugoslavia, he replied: "We don't even understand Northern Ireland, never mind Yugoslavia" (Jacques Delors, cited by two interviewees, European Commission, April 1, 1993). According to one official:

> The problems in Northern Ireland are perceived, but he [Jacques Delors] sees that they're local and small and is quite puzzled as to why there's a conflict (Interview, European Commission, April 1, 1993).

Given the importance attached by theorists to the role of the President of the Commission, Delors's apparent puzzlement does not bode well for prospects of the Commission exercising dynamic leadership with respect to Northern Ireland and the cross-border relationship. Moreover, another official stated bluntly that: "The Commission runs scared of the conflict" (Interview, European Commission, 5.4.93). Similarly, another official observed that: "There's a reluctance among Commission officials to go there [to Belfast], because your behaviour would be restricted. It's dangerous" (Interview, European Commission, 2.4.93).

Yet, despite the absence of a Commission approach to the conflict in Nortrhern Ireland, it is possible that Irish and Northern Irish individuals within the Commission are very much aware of the conflict and of the potential to use EC policy to maximise cross-border co-operation. Many of the officials who are involved in the regional policy and CAP divisions with respect to Northern Ireland and the Republic of Ireland, are Northern Irish and Irish civil servants on secondment to the EC. These representatives may indeed pay regard to the conflict and may indeed attempt to harness EC policy change, to improve the Irish/Northern Irish cross-border relationship: "British and Irish members [of the Commission] tend to be aware of the conflict" (Interview, European Parliament, 31.3 93).

The absence of an official corporate and unified Commission view on Northern Ireland does not therefore necessarily imply that the Commission does not exercise dynamic leadership. A small number of people may be equally, if not more dynamic in bringing about policy change. For example, in examining four EC external agreements in the 1960s and 1970s, Rosenthal concluded that:

> In each instance, a small highly motivated extremely dynamic group of officials from the external relations directorate general of the EEC Commission, pushed and pulled, manipulated and cajoled, literally "took over", when it looked as if negotiations would be interminably bogged down in intergovernmental wrangling. One of the interesting features that comes to light here is the effectiveness of such a small group of administrators against the weight of hostile, or totally disinterested forces (1975, p. 59).

The personality of these small cliques and their particular values are argued to be central to understanding EC policy outcomes:

> Political figures do indeed bring to their jobs a set of attitudes, predispositions, ways of looking at the world which, along with such traditionally recognised influences as party, executive leadership and lobby pressures, affect the way they speak and act. It is the attitudes, predispositions and ways of looking at the world of the men involved in decision-making in the EC, which seem to have emerged ... (ibid).

An analogous argument would hinge upon the ability of small groups involved with Northern Irish and Irish affairs to carve out their own strategy and to provide dynamic leadership within the Irish/Northern Irish policy sphere. In fact, although the Irish and Northern Irish citizens who were interviewed were knowledgeable, they had only limited ability to develop strategy so as to help resolve the conflict. Their activity was subordinate to the activity of the Anglo-Irish Intergovernmental Conference. Because of this subordination to the Anglo-Irish process, the cliques within the Commission, who work on Northern Ireland and the Republic of Ireland, do not lead policy with respect to these areas. Instead they follow the policy of two member states: the UK and the Republic of Ireland.

This point was reiterated by many interviewees: "An Irish unit exists in the Commission, but at the end of the day, the realisation

exists that its up to the national governments" (Interview, European Commission, 2.4.93). According to one official:

> The UK says 'Stay out of it. This is an internal conflict'. If the Commission was given encouragement, they'd intervene. They've been actively discouraged at high level. I think, to be honest, that the situation is so dirty, that I doubt if the Commission would be capable of understanding it (Interview, European Commission 2.4.93).

The view that the Northern Irish conflict is the domain of Irish, British and Northern Irish citizens was reiterated by a member of the UK representation:

> The EC is an example of how people work together, but it's for Northern Ireland, the UK and the Republic to do it. There's no separate EC thinking on Northern Ireland. It reflects Anglo-Irish advice (Interview, UK Permanent Representation to the EC, 31.3. 93).

Far from "the men behind" the EC decisions "taking over" when "bogged down by intergovernmental wrangling" (Rosenthal, ibid), the Commission is excluded from having a leadership role by the sensitivity of the Anglo-Irish process and by the Commission's tacit agreement that it does not have the right to develop its own specific scheme for Northern Ireland. The Commission itself does not want to play a large role in a conflict which it has difficulty understanding. As such, the Commission is passive in its behaviour towards the conflict in Northern Ireland and it follows the lead of British and Irish governments.

This passivity is the main argument against the neo-functionalist claim that the Commission provides dynamic leadership, so that economic cooperation spills over to political co-operation. This example shows how British and Irish state behaviour dominates Commission behaviour in the Irish/Northern Irish policy sphere. The Commission treads carefully. The dominance of the Anglo-Irish process and of the IGC over the Commission behaviour with respect to Northern Ireland suggests that the AIA is the fundamental influence on the Northern Irish/Irish relationship.

This evidence supports the neo-realist argument in two ways: First, the AIA, as a coercive consociationalist agreement, represents neo-realist theory. Second, British and Irish state domination of the

Commission implies that the Commission's behaviour is limited by the interests of two EC member states. As such, the case of Northern Ireland remains firmly within the domain of interstate politics, outside the world of the EC. In this way, neo-realism appears to provide a better understanding of the Commission's behaviour towards Northern Ireland. Moreover, it is debatable whether the Commission in its approach to the conflict in Northern Ireland, behaves as a supranational institution.

The Commission as a Supranational Institution

The conventional exposition of the Commission's role in the EC decision making process is that it represents the common interest of the Community. However, this view is open to criticism. In contrast, the members of the Commission may not be so neutral (Nugent, 1989, p. 56). Commissioners themselves are national nominees. Thus, they may be prey to political pressures from their parties.

Two relevant points emerge from the Commission's approach to the conflict in Northern Ireland. The first is that Irish and Northern Irish members may not aim for European integration wholeheartedly. They may temper their *communautaire* approach with their years of experience working in national/regional civil services. In the absence of a specific corporate Commission strategy with respect to Northern Ireland, the possibility that Irish and Northern Irish civil servants do not "mould into one" (Tugendhat, ibid) may hamper their ability to develop EC policy with respect to Northern Ireland to its fullest potential (even if British and Irish governments gave them the freedom to do so). Thus:

> In practice ... the Commission tends not to be so detached, so far-seeing, or so enthusiastic in pressing the *esprit communautaire* as some would like (Nugent, 1989, pp. 86-87).

There may not be one common interest among Commission members. For example, an Irish civil servant from the Department of Tourism, on secondment to the Commission, may realise that the Commission demands for Irish/Northern Irish cross-border tourism co-operation will harm the Republic's tourist trade. Perhaps, s/he will know the probability that her/his Irish department can be persuaded to alter its position on cross-border co-operation in tourism. Consequently, this

official sets limits on how much co-operation the Commission should ask of the Irish government. In practice, then, the Commission may "look to the short term, rather than to the long term, and to what is possible, rather than what is desirable" (Nugent, 1989, p. 87).

Similarly, a Northern Irish civil servant may know the threat an integrated Europe may pose for Northern Ireland's unionists who wish to maintain the Irish border. His/her enthusiasm for integration may be tempered by the limits set by political sensitivity in Northern Ireland. The Commission deals with states and regional representatives again and again. It needs their support and, consequently, it does not engage in adversary politics. It seeks a consensual decision (Ludlow, 1992, p. 88). The Commission cannot ride roughshod over these limits. Thus, members from specific states may balance support for integration with their knowledge of the domestic situation at home. Consequently, the Commission may not possess a grand design.

Moreover, members may bring their national biases with them to the Commission. Thus, one official, on secondment from the Northern Irish Civil Service, commented that:

> Good neighbours can have high fences and still lend one another a lawn mower. It doesn't mean you wander into each other's back garden (Interview, European Commission, 31.4.93).

Despite the author's interventions that high fences and the inability to move freely appeared to be against the spirit of European integration, the official remained resolute in his tempered approach. The possibility that national orientations continue to influence Commission officials means that the Commission is not necessarily supranational. Thus, its members too may be victims of selfish national self-interest, as realists would contend.

Another doubt about the Commission's supranationalism emerges from the Commission's approach to the Irish/Northern Irish cross-border relationship. The fact that it is mainly Irish and Northern Irish officials who are involved in this field and that other non-Irish, non-Northern Irish and non-British officials are confused by the conflict and wary of developing policies to help alleviate it indicates that mutual sensitivity and common interest does not exist within the Commission, with respect to the conflict.

Despite the significance of a conflict within one region of the EC for European integration, it is still only Irish and Northern Irish and some British officials who attempt to *understand* it, never mind try to alleviate it: "A number of people *who deal with Northern Ireland* have read the standard works" (Interview, European Commission, 2.4.93). There is a veil of ignorance around many other Commission officials, with respect to the conflict in Northern Ireland.

The compartmentalisation of Irish/Northern Irish interests into specific divisions, which are run mainly by representatives of Northern Ireland and the Republic of Ireland, implies that the Commission in its approach to the conflict does not behave entirely as a supranational institution. It is Irish, Northern Irish and British officials who are most concerned with the conflict in Northern Ireland and the Irish/Northern Irish cross-border relationship. Moreover, the decision to exclude Northern Ireland from the new Cohesion Fund does not indicate that either the Commission as an institution, or its Irish and Northern Irish officials, prioritise the use of EC regional aid so as to help resolve conflict.

Northern Ireland and the Cohesion Fund

The Cohesion Fund was established under the Treaty of European Union (Maastricht Treaty). The fund provides double the amount of money available from the Structural Funds, for a stronger regional policy from 1993 onwards. Only states are eligible to receive money from the Cohesion Fund. Regions of states, such as the Mezzogiorno in Italy, may not apply. Consequently, Northern Ireland as a region of the UK is not eligible to receive money from the Fund.

The obvious question is why the Commission did not make an exception and allow Northern Ireland as a region to be part of the Cohesion Fund, when it made an exception of Northern Ireland in 1988, by allowing that region to be an Objective One region, although it did not meet EC conditions. According to one official, the UK government did not lobby the Commission to have Northern Ireland included in the Cohesion Fund. If a more sustained effort had been made to have Northern Ireland included, then Northern Ireland may have been included:

> The UK should have made the case more strongly that they [Northern Ireland] were in the same position [as the Irish Republic] in terms of geographical peripherality (Interview, European Commission, 1.4.93).

However, another official commented that if Northern Ireland had been included in the Cohesion Fund, then the question would have been raised as to whether the Mezzogiorno would be included (Interview, European Commission, 5.4.93). As one reason for the new eligibility rule was to exclude any region of Italy from receiving maximum EC regional aid (Interview, Department of Finance, 7.1.92), the Mezzogiorno's inclusion would have been problematic (unattributable interview). However, this official did confirm that the UK did not lobby to include Northern Ireland in the Cohesion Fund (Interview, European Commission, 5.4.93). Nor did the Republic of Ireland lobby for Northern Ireland's inclusion in the Cohesion Fund:

> Hume did more to lobby than anyone in the North ... The Republic didn't attempt to ... There was no reason why they felt they should (Interview, European Commission, 5.4.93).

The omission of Northern Ireland from the Cohesion Fund counterposes the decision to define Northern Ireland as an Objective One region in 1988. It reflects the Commission's reluctance to make allowances for the conflict and to include Northern Ireland in the Cohesion Fund. The implication of the above quotations is that if EC members had lobbied for Northern Ireland to be included in the Cohesion Fund, then perhaps it would have been. However, in the absence of lobbying, the Commission did not include Northern Ireland in that Fund. The possibility of using the Cohesion Fund to help resolve the conflict was not a priority for the Commission. Only if pressurised, would it consider taking special account of Northern Ireland in this regard.

The Cohesion Fund decision is interesting on a number of counts. From an Irish/Northern Irish perspective, it is interesting that only John Hume, the SDLP leader appears to have been active in lobbying the Commission. Cross-border co-operation and the plight of Northern Ireland was not the primary concern of either Irish or UK governments. This point will be expanded later. (See chapter four). From an EC perspective, the decision not to allow Northern Ireland to

be part of the Cohesion Fund provides further evidence of the limitations of Commission activity with respect to Northern Ireland.

The new Cohesion Fund had to satisfy a number of states. Once a formula was reached which partially satisfied all members, then the Commission was presumably reluctant to upset the delicate balance. Hence, the argument that the Mezzogiorno would have demanded inclusion in the Fund, if Northern Ireland was included. However, if the Mezzogiorno was included then other states, in particular Spain would have been angered. The decision to exclude Northern Ireland reflected the Commission's delicate task in gaining member state support for its policy initiatives.

It is not necessarily the case that the Commission does not care about the conflict in Northern Ireland, but it does have other priorities. In the absence of determined and widespread lobbying, these priorities determine policy outcome. The Commission did not take the initiative to allow Northern Ireland to be part of the Cohesion Fund. Thus, the case of the Cohesion Fund shows the limitations of the Commission in providing dynamic leadership to help resolve the conflict in Northern Ireland.

There is a fourth criticism of the argument that the Commission provides dynamism to the Irish/Northern Irish cross-border relationship. It is that EC policy changes may only have marginal effect on cross-border co-operation. This possibility is the final criticism of the Commission's role in the cross-border relationship considered in this chapter.

For those members of the Commission who argue that the Commission has an effect on the conflict in Northern Ireland and the Irish/Northern Irish cross-border relationship, Interreg is crucial. There are two problems with their argument. The first is that for other Commission officials, Interreg's role is perceived to be minimal. The second problem is that Commission "optimists" did not refer to all the other EC policy initiatives which theoretically should effect the cross-border relationship, whereas those Commission officials who were more negative about the Commission's impact did refer to other Commission policy initiatives. Their arguments were both wider and deeper.

Interreg has its share of problems according to some interviewees. There are practical difficulties in finding suitable projects. According to one official: "A farmer's horizon is 15 metres". Consequently, it is difficult to find programmes which straddle the border (Interview, European Commission, 1.4 93). Money that has been spent has not been well used. The recession is blamed by one official for causing a less than enthusiastic response to Interreg for applicants still have to invest a proportion of their own money in a cross-border scheme. Thus, a poor investment climate inhibits the EC's cross-border endeavours (Interview, European Commission, 1.4.93).

Similarly, the Leader initiative has had little cross-border implications: "We've encouraged them to co-operate with groups in Ireland ... The degree of co-operation isn't much established" (Interview, European Commission, 1.4.93). Another official observed that as regards Leader, he "visited one in the South, built against one in the North, and they're not in touch with each other!" (Interview, European Commission, 2.4. 93).

Officials who were interviewed argued that a large problem in their endeavours had been that of additionality. The additionality problem refers to member states substituting EC money for money they would have spent anyway from the national exchequer, rather than making EC money additional to national expenditure. The UK has been particularly criticised by the Commission for not making its EC-financed regional expenditure additional to its national expenditure. As long as EC money is not additional to national monies, the impact of EC money is less (Interview, European Commission, 1.4.93).

The UK's general approach to the EC was criticised as hampering the EC's attempts to influence the cross-border relationship. On an anecdotal level, one official noted that the UK had to be persuaded at length to place EC plaques next to those developments which the EC had funded (unattributable interview). Thus, some Irish and Northern Irish members of the Commission think that the Commission's role in the cross-border relationship is impeded by state behaviour. These members recognise the Commission's successes in overcoming such limitations, but they also feel they are involved in an on-going struggle with national authorities. EC money is no guarantee of EC success in policy implementation. Consequently, for some officials, the Commission's effect on the conflict in Northern Ireland and on the cross-border relationship is very constrained.

To be fair, these same officials were cautiously optimistic about the Commission's *future* effect on the cross-border relationship. They felt that the amount of money made available for cross-border co-operation would increase (unattributable interview). They also detected improvements in business cross-border co-operation and in national authorities consultation procedures with local and regional groups (Interview, European Commission, 1.4.93).

Overall, though, the above comments offer a useful contrast to the more up-beat references to Interreg. For many Commission officials who work with the Republic of Ireland and Northern Ireland, the effect of Commission policies is limited by problems faced in implementing those policies. The Commission cannot *tell* states what to do (Interview, European Commission, March 1991). At times, states and regions may not comply with the Commission's wishes. Thus, the policies which arguably up-grade interests between Northern Ireland and the Republic of Ireland may be hindered by Irish and Northern Irish behaviour. These policies may not stimulate economic cross-border co-operation, never mind political co-operation. The Commission by initiating policies may try to provide dynamism, but it may not succeed.

iv. Conclusion: The Role of the Commission in the Irish/Northern Irish Cross-Border Relationship

There is a balance sheet of evidence as to whether the Commission is a dynamic leader in its approach to the conflict in Northern Ireland and

the Irish/Northern Irish cross-border relationship. On the one hand, the Commission does not have a unified strategic approach to the conflict and is generally ignorant of it. In that sense, the Commission is not a dynamic force in the Irish/Northern Irish relationship. As its activities are subordinate to those of the Anglo-Irish process (and, therefore, to the British and Irish states), neo-realist theory appears to be a more accurate depiction of the Commission than neo-functionalism. The Commission does not appear to be a supranational actor in its behaviour towards Northern Ireland. Moreover, even its cross-border programmes and its new policy initiatives are not perceived to be entirely successful by some Commission officials.

However, on the other hand, the Commission has *initiated* general policies which potentially up-grade interests between Northern Ireland and the Republic of Ireland. The Commission must be given some credit for attempting to increase the number of common interests between Northern Ireland and the Republic of Ireland, even if Northern Irish and Irish actors do not react to these common interests. Moreover, those who work in the Irish/Northern Irish units were aware of how some EC policies could be used to improve the Irish/Northern Irish cross-border relationship. Neo-functionalist emphasis on economics as an incentive for cross-border co-operation is not necessarily invalidated.

It does seem that EC policy has provided a basis for cross-border co-operation, albeit an imperfect one. Even those Commission representatives who were more pessimistic about the EC's effect pointed to the existence of such a basis. For example, they noted the increase in business cross-border co-operation. The question is whether the basis provided by EC policy is sufficient to increase cross-border co-operation. Commission officials themselves saw limitations, but the effect of the Commission's policy initiation can only be fully determined by examining the behaviour of Irish and Northern Irish actors themselves.

In the remainder of this thesis, I examine the reaction of Irish and Northern Irish actors to the new EC policies of the 1980s. Is it possible that these policies have indeed increased cross-border co-operation, despite the limitations of the Commission's behaviour, with respect to Northern Ireland? If so, then, neo-functionalism need not be totally abandoned, but may be stripped down and refined to provide a better exposition of the Irish/Northern Irish cross-border relationship.

In the next chapter, I examine the effect of the SEM, EC regional policy and the CAP reform on Irish/Northern Irish civil service co-operation.

Chapter Four

The Civil Service and Cross-Border Co-operation

Introduction

The previous chapter highlighted the influence of the Anglo-Irish process on the behaviour of the Commission. In this chapter the relative significance of the EC and the AIA on civil service behaviour will be examined, so as to determine whether the EC is increasing cross-border civil service co-operation or whether it is political co-operation in the form of the AIA which influences the cross-border administrative relationship. If the AIA is the main influence on the civil service cross-border relationship, then contrary to neo-functionalist logic, spillover does not occur from economic to political co-operation, but in fact, political co-operation is a necessary precondition for economic co-operation. Hence, the neo-functionalist argument would be weakened.

Four main points emerge from this examination of civil service behaviour. First, the reform of EC regional policy and the introduction of CAP reform proposals have not increased levels of civil service co-operation dramatically. Second, change that has occurred is limited to a small number of specific divisions and does not spillover to other divisions, despite the existence of overlapping policy interests. Third, there is a general perception among the civil servants interviewed, that cross-border co-operation is primarily the responsibility of the Inter-governmental Conference and of those civil servants in the Anglo-Irish Division of the Department of Foreign Affairs.

Finally, the above findings lead to the conclusion that, for the civil service at least, economic co-operation is primarily the response to political rather than economic concerns. Despite the EC, economic factors dictate that Northern Ireland and the Republic far from being prospective co-operators, are in fact economic rivals. Economic co-operation in areas where common interests do exist will not spillover to co-operation in those where they do not exist. Moreover, economic co-operation cannot transform conflictual interests into complementary interests, without political resolve, if even then.

The chapter will begin with a description of the role of the civil service in the decision-making process in Northern Ireland and the Republic of Ireland. Following this description, I examine the main cross-border initiatives which may affect civil service cross-border co-operation. These initiatives fall into two categories: those which are EC schemes and those which are AIA schemes. The administration of

each cross-border initiative is detailed. Following this description, I examine whether contacts between civil servants have increased because of each venture. In the third section, the relative importance for civil service departments of each scheme is determined. Finally, the implications of the findings for the neo-functionalist argument are deduced.

The reform of the CAP will not be considered as having an effect on cross-border civil service co-operation in this chapter. Both civil services act through their governments with respect to agriculture. There is no scope for cross-border civil service co-operation as a response to the CAP reform. Interviews with civil servants confirmed this point. Consequently, in this chapter the civil service's reaction to EC special programmes, to the Structural Funds, to the International Fund and to the Intergovernmental Conference set up under the terms of the AIA will be examined.

i. The Role of the Civil Service

The civil service plays a vital role in liberal democratic political systems. The key factor in civil service power is that its members may have a higher level of expertise and experience than have ministers. In the face of new in-coming government, the existence of experienced senior administrators is an invaluable asset, which gives the civil service an important position in the policy community. The extent of this significance depends to a large extent on the policy-making environment. For example, a high turn-over of governments, or political instability lessens the ability of politicians to learn more about a certain policy area and hence gives relevant civil servants greater scope to influence the policy-making process.

The significance of the civil service is particularly marked with respect to Northern Ireland. The weakness of local government in Northern Ireland has led to even greater civil service influence in the North than in the UK as a whole:

> Since Direct Rule in 1972, the involvement of local politicians in the policy network has declined and the influence of bureaucrats and Westminster politicians has increased (Connolly and Loughlin, 1990, p. 10).

In practice this greater involvement has meant that the NICS is more involved in political affairs since 1972:

> Civil servants in the NIO and Northern Ireland departments, being immune to local party pressure, also enjoy greater discretion than their counterparts in Britain and the Republic (O'Leary, 1991, p. 15).

Similarly, one former senior civil servant in the NICS has commented that since the imposition of direct rule in Northern Ireland "many senior members of the NICS found themselves more closely involved with political affairs than ever before ..." (Connolly and Loughlin, 1990, p. 10).

There are in all six departments in the NICS — Finance and Personnel, Economic Development, Environment, Education, Health and Social Services and Agriculture. Added to this is the Northern Ireland Office (NIO) which was established in 1972. Its main task is to advise the Secretary of State on political matters. The main focus of attention in the context of EC-sponsored cross-border co-operation are the departments of the Environment, of Agriculture and of Finance and Personnel. The relationship between the latter and the Treasury is a significant component of the overall decision-making process. The Treasury in the UK negotiates separately with the Commission at the final bargaining stage. All other departments have their say at earlier stages. However, of the Northern Irish departments, the Department of Finance and Personnel has the main responsibility for cross-border EC matters, with the Departments of Agriculture and the Environment playing a secondary role.

Similarly, in the Republic, the civil service plays a key role in the decision-making process, although it is less politically involved than in Northern Ireland. The role of the senior civil service is to collect and appraise data and to identify possible courses of action:

> Those who prepare the memoranda, put up the papers and explain the issues to the minister might in some circumstances, have an important, even decisive influence upon the outcome (Chubb, 1982, p. 174).

As regards the Irish civil service, the main focus of attention in this chapter are the Departments of Agriculture, Tourism and Transport, Environment, Foreign Affairs and Finance. Again, the latter department

plays the most significant role with respect to negotiating with the Commission on regional policy initiatives. The Anglo-Irish Division in the Department of Foreign Affairs is involved with cross-border initiatives which fall under the aegis of the IGC, or of the International Fund for Ireland.

For both Northern Ireland and the Republic, the civil service is a key actor in the policy-making environment. Before examining the extent to which these influential organisations on both sides of the border are engaging in EC-induced cross-border co-operation, it is necessary to clarify the main sources of cross-border co-operation.

ii. The Sources of Cross-Border Co-operation

Previous chapters have highlighted the fact that the EC is not the sole source of cross-border co-operation between Northern Ireland and the Republic of Ireland. The possibility that the AIA also influences that relationship complicates any examination of the EC's effect on the cross-border administrative relationship. It is necessary to describe both EC and AIA schemes in more depth before determining the effect of such schemes on the Irish/Northern Irish cross-border relationship.

The European Community

The two pillars of EC regional policy are the Structural Funds and the special programmes (chapter three). The relationship between them is at first sight confusing. The main point is that the special programmes make additional money available over and above that agreed upon in the national operational programmes. Hence, there are various sources of EC aid. Figure 4.1 below lists those sources which have implications for cross-border co-operation in the sectors studied in this thesis.

The Operational Programme for Rural Development was approved by the Commission in December 1990. This programme followed the Pilot Programme for Rural Development which was completed in 1990. The Rural Development Programme is defined as being part of an overall strategy for rural development and works in conjunction with all the other programmes. Indeed, the Commission intends that all the above initiatives should complement each other

and form an integrated plan for the overall development of the economy (chapter three).

Figure 4.1: Sources of EC aid

Source of Finance	EC Assistance (millions)	
	N. I.	ROI
Rural Development	100	71
Tourism	34	165
Transport	105	562
Interreg		58 to be shared by N. I. and ROI
Leader		21

Table: EC initiatives with cross-border implications
Note: Figures calculated in Irish pounds, millions, 1990
Source: Europe in Northern Ireland, No. 65 - December 1990, (adapted), European Commission Office in Northern Ireland; EC Structural Funds in Ireland, November 1992, Department of Finance, Dublin

More specifically, the rural development programme aims to diversify the rural economy to increase employment and raise income levels. Emphasis is placed on the 'bottom up' approach, i.e., on the principle of subsidiarity (see p. 73). This emphasis implies that statutory authorities and local communities should work together. The important factor in the context of this study is that the Less Favoured Areas (LFAs) receive a greater amount of aid from the scheme (successful applicants from the LFAs receive 50 per cent of the cost of the proposed scheme as opposed to 40 per cent in the other areas). However, although the Less Favoured Areas in the North West of Ireland adjoin Northern Ireland, there are no special provisions for cross-border co-operation. Emphasis is placed on the Leader programme (see below) and in this way there is an indirect link to cross-border initiatives.

The Operational Programme for Tourism like the rural development programme is relevant to cross-border co-operation indirectly because it complements other EC programmes, in particular, the Interreg programme (see below). The tourism programme operates on a 26 and 6 county basis. That is to say, it is not a cross-border programme. For example, for the Republic of Ireland, the programme's negotiators intended that the number of tourists visiting

the Republic would be doubled by 1993, with an accompanying 5 million Irish pounds increase of revenue and the creation of 25,000 jobs. None of these aims refer to the cross-border dimension. However, the Interreg programme emphasises the tourism sector and thus tourism does have a cross-border dimension.

The Operational Programme for Transport is the most important of the operational programmes for cross-border relations. In this programme the aim is to overcome Northern Ireland and the Republic's peripherality by improving its transport infrastructure. Because the Republic and Northern Ireland share their peripheral status, the Commission pressed for a transport network covering the island as a whole. Moreover the creation of high speed links connecting major national cities in the Community is a main priority of the EC Transport Directorate. The transport programme consists of two main sub-programmes. The first is to develop national primary roads and the second is to develop secondary roads, to develop tourism and industry in particular regions. The key cross-border elements include the proposed Dublin-Belfast motorway, roadways linking Sligo and Donegal to Belfast and an improved Dublin-Belfast rail link.

Interreg is the Community programme for transfrontier development. The Northern Irish/Irish Interreg programme was drawn up by the British and Irish governments jointly and covers the border regions in the Republic — Donegal, Monaghan, Cavan, Leitrim and Sligo and all of Northern Ireland apart from Belfast. The overall aim is to:

> assist both internal and external border areas ... in overcoming the special development problems arising from their relative isolation, ... in the interests of the local community and in a manner compatible with the protection of the environment (OJ No C215/4 30.8.90).

A further aim is worth citing, that of promoting "the creation and development of networks of co-operation across internal borders and where relevant, the linking of these networks to wider Community initiatives" (ibid). Consequently, Interreg's activities overlap with those of the tourism, transport and rural development programmes. For example, Interreg emphasises the development of tourism infrastructure (e.g. roads along the border regions), the development of

agri-tourism (on-farm accommodation for tourists) and environmental protection measures (preserving the rural community and environment). In this way Interreg combines elements from all the other Structural Fund initiatives.

Leader aims for the development by the rural community of its own area in accordance with its own priorities:

> the initiative is designed to establish a network of local rural development action groups ... enjoying a substantial degree of flexibility in implementing at local level the initiatives financed by national global grants (OJ No C73/35 19.3.91).

More precisely, Leader measures include the provision of technical support for rural development, vocational training, the development of tourism and also the advancement of small enterprises and local services. The relevance of Leader to cross-border co-operation is that in many cases the same local community exists on both sides of the border. Hence, increased cross-border communication is needed to draw up an integrated plan for rural development.

The Anglo-Irish Agreement: The Intergovernmental Conference and the International Fund for Ireland

The second main source of influence on the Irish/Northern Irish cross-border relationship is the Anglo-Irish Agreement (AIA). As the IGC which was established under the AIA is attended by civil servants, as well as ministers, Irish civil servants, the NICS and the NIO are bound to be affected by the Conference's activities. Apart from aiming to deal with political, security, legal and co-operation matters, economic co-operation is provided for under Article 10 of the AIA:

> The two Governments shall co-operate to promote the economic and social development of those areas of both parts of Ireland which have suffered most severely...and shall consider the possibility of securing international support for this work (Anglo-Irish Agreement, Article 10).

Article 10 of the AIA also states that:

> the Conference shall be a framework for the promotion of co-operation between the two parts of Ireland concerning cross-border aspects of economic, social and cultural matters (ibid).

The significance of the EC for the work of the Anglo-Irish Conference was highlighted in 1989 when under the review of the AIA, greater emphasis was placed on the process of EC integration:

> The two Governments have considered also the implications of the internal market in the European Community in 1992. They recognise that these will be far-reaching and will generate common opportunities for both parts of Ireland as well as common difficulties arising from peripheral island status and other factors including the increase of competition (Review of the Working of the Anglo-Irish Agreement, 1989).

Apart from this reference to cross-border co-operation, there was also a stated commitment to extending the areas discussed in the Conference. As a result of this statement, the Conference included discussion of Rural Development Policy in its September meeting (1991). The emphasis of the discussion was on the potential for cross-border co-operation in rural development and a special steering committee was established to examine progress on local programmes and to co-ordinate a response to cross-border initiatives. Again, reference was made in the September meeting to the EC, specifically a welcome was given to the Interreg initiative.

The decision to extend the ambit of the Conference is reflected in an examination of the wide range of subjects discussed since the 1989 review. These subjects have included tourism, transport, energy, the environment, health, education and North-South trade. For example, in 1993, the IGC:

> Welcomed the special focus on trade, business and tourism and underlined that closer cross-border co-operation in these areas could result in considerable mutual economic and community benefit ... They agreed that the coming into effect of the Single Market would bring progressive benefits North and South of the border (Joint Statement, Anglo-Irish Intergovernmental Conference, March 1993).

Thus, there is a significant overlap between the Conference's activities and those of the EC and the Conference has agreed to decide upon cross-border projects which might gain EC aid (Joint Statement, Anglo-Irish Intergovernmental Conference, February 1993).

However, in the context of this study, it is important that the political will manifested by the signing of the AIA, is at the basis of the

this economic co-operation (see p. 22). Consequently, should the Conference successfully achieve cross-border economic co-operation, it does so because it reflects *political* agreement among the signatories of the AIA. In this way, political co-operation leads to economic co-operation rather than vice versa. Similarly, the IFI, which was established under the AIA reflects a political agreement. However, it too provides for economic cross-border co-operation.

The International Fund for Ireland (IFI) which was set up under the AIA also has a cross-border dimension. Its two main aims are to promote economic and social advance and to encourage contact, dialogue and reconciliation between nationalists and unionists *throughout Ireland* (author's emphasis). Hence, cross-border co-operation is an integral part of the Fund's activities. The Fund was established in 1986 and receives contributions from the United States, Canada, New Zealand and from the EC. Between 1986 and 1992, £UK164 million had been received by the Fund. Two thousand three hundred projects have been aided by the fund with a total of 600 projects receiving IFI money in 1991 (IFI, p. 5). Of these projects, the Business Enterprise scheme has en explicit cross-border dimension under which the Confederation of British Industry (CBI) and the Confederation of Irish Industry (CII) have embarked upon a joint initiative to promote job creation through increased cross-border trade. Similarly under the Tourism scheme there is a joint marketing project which advertises the island as a whole as an attractive location for visitors.

In the Science and Technology and Agriculture Programmes there is money provided for cross-border initiatives in post-graduate and general research training. The Joint North-South projects advance both managerial and what is termed "young workers" cross-border co-operation. Apart from these specific schemes, CRISP and CERS emphasise the importance of local community involvement. Again, as with Leader, many of the relevant communities straddle both sides of the Border.

It is clear that there are overlaps between all three areas — the EC, the IGC and the International Fund. This fact should be a source of encouragement to those seeking a "harmonisation strategy" to reconcile communities on each side of the Irish/Northern Irish border. However, the mere existence of cross-border schemes does not necessarily carry any positive weight unless such schemes are used

constructively. In other words the administration of the schemes and the degree to which their potential benefits are actively pursued determines their value.

iii. The Administration of Co-operation

The role of the civil service can be expected to be significant in the administration of cross-border co-operation. However, to what extent are civil services on both sides of the border actively involved in cross-border schemes? The question is do these civil servants know each other better and exchange information more effectively because of cross-border schemes.

The Monitoring System: A monitoring system for all the above co-operative schemes exists. In principle, each monitoring system is the same. The committees meet to ensure that each project is being conducted according to the objectives it set out to achieve. A number of indicators are used to prove the effectiveness of the scheme. For example, for the Operational Programme for Transport, indicators of effectiveness are divided into specific categories — physical, e.g., the additional capacity provided by a specific road; financial, e.g., the target revenue desired; and impact, e.g., the impact of a road on access costs to Ireland.

Under the reform of the Structural Funds, each government was obliged to set up a monitoring committee to implement the approved projects. Therefore, in the case of EC-sponsored *transport* schemes (those covered by the Operational Programme on Transport), monitoring committees consist of representatives of the relevant central government (civil servants), of the Commission and of local government. Under the Operational Programme for Transport there will be one monitoring committee to cover all schemes in operation. Of these transport schemes, three relate particularly to cross-border co-operation. Meetings between members of the monitoring committee are intended to occur approximately every six weeks. In the case of cross-border schemes, civil servants from the Department of Tourism and Transport on both sides of the border attend.

Similarly, Interreg has its own monitoring committee consisting of representatives of relevant departments, of local government, of state-sponsored bodies and of the Commission. There are seven committees under the five main sections of the Interreg programme.

The International Fund also has representatives on the Interreg committees. There are in all approximately six members on each committee. A considerable bulk of activity took place over the summer of 1991, when the Interreg programme was being compiled by civil servants. At that time, there were approximately four meetings at individual departmental level drawing up the different parts of the programme. Eight cross-border meetings took place, between both civil services. Finally, the Departments of Finance (in the Republic) and Finance and Personnel (in Northern Ireland) met to put the programme together.

Under the *Rural Development Programme* there is also a monitoring committee, as for all the above EC schemes, consisting of the relevant departmental members, state-sponsored bodies, the Commission and local authorities, as well as representatives of the core groups. However, the *Leader* and *Rural Development* schemes have a slightly different system to that of the transport and Interreg initiatives. For example, for Leader schemes there are core groups consisting of about ten representatives of the local community and these groups are assisted by official co-ordinators. Hence, given that there are seventeen projects under the Leader programme, there will be seventeen core groups. A competition takes place to recruit people to each group.

Within the IGC framework there is a new monitoring system to accompany the existence of rural development on the Anglo-Irish agenda. A Steering Committee was established (September 1991) to examine "bottom-up" developments on both sides of the border. The committee's introduction was announced following discussions between the then Northern Irish Minister for Agriculture, Jeremy Hanley and his Irish counterpart at that time, Michael O'Kennedy. Two or three members from each side of the border attend and work closely together. Meetings take place every three to six months.

Finally, the IFI is governed by a Board which is appointed by the British and Irish Governments. It is assisted by an advisory committee which consists of senior officials representing both governments and by a secretariat and two Director Generals (one based in the Irish civil service in Dublin and one in the Northern Irish civil service in Belfast). All the civil servants involved are from the Irish Department of Foreign Affairs and the Northern Ireland Office. Board meetings take place

every four to six weeks and the Advisory Committee meets before each Board meeting.

There are in all 22 monitoring schemes covering cross-border co-operation. Of these schemes, 20 cover EC aided programmes and two concern AIA initiatives. Approximately two civil servants from both sides of the border participate in the committees. The existence of 22 committees working in the same area is confusing, but the fact that this separation is entrenched by the segregation of civil servants from each other, despite the fact that many work in the same department, may baffle the observer. Many civil servants work in the same cross-border policy area, but are ignorant of each other's work. Civil service membership differs on each committee, not merely according to Department, but according to each Division, or sub-division of each Department. For example, different civil servants work on the Leader scheme, on the Interreg scheme, on the Operational Programme for Rural Development and on the IGC Rural Development Steering Committee.

There is evidence from the interviews which were conducted that the Operational Programme for Transport and Interreg have had an effect on levels of cross-border co-operation. However, this effect on cross-border civil service co-operation has been confined to those individuals who are directly involved in a specific scheme, i.e., on a handful of people within each relevant department. Moreover, there is evidence that cross-border contacts between civil servants waxes and wanes according to the issue at hand. One official observed that there had been increased contact over the summer of 1991 over the question of the Dublin-Belfast rail link (Interview, Department of Finance senior official, 7.1.92).

Indeed, the civil servants who are involved in specific schemes do not always know about the activities of other relevant cross-border projects. For example, an official in the Northern Irish Department of Transport who is involved in the Dublin-Belfast rail link proposal commented that he and his section were not making much use of Interreg because there was no need to. He continued that he himself had "precious little interest" in it and as a result did not know who exactly was involved in it (Interview, Department of the Environment for Northern Ireland Senior official, 22.1.92).

Similarly, an official in the same department who is involved in the Structural Fund cross-border road schemes, was unsure as to

whether or not the monitoring committee for Interreg operated at the time of interview (Interview, Department of the Environment for Northern Ireland, senior official, 22.1.92). Another example of the lack of spillover between cross-border projects is that of the Department of Tourism and Transport in the Republic. Here, the principal of the EC Division advised bluntly that cross-border initiatives were the responsibility of the Anglo-Irish division, not Tourism and Transport and that talking to him was "a waste of time" (Interview, Department of Foreign Affairs, senior official, January 1991). Similarly, the principal of the Roads Division explained that "It doesn't really bother me whether it's [investment] cross-border or not, but in the Anglo-Irish Division they're anxious to foster co-operation" (Interview, Department of the Environment senior official, 2.1.92).

However, civil servants involved in a specific scheme pointed out that when there is a need to contact colleagues over the border, then obviously such contact is made. It was noted that contacts have increased generally in the period 1986 to 1992, because of the IFI as well as Interreg. (Interview, Department of the Environment, 2.1.92). Moreover, initiation of a joint project involving the building of a canal straddling the border from Ballinamore to Ballyconnell is cited as a cross-border success. This project hopes to encourage private investment in the area. (Interview, Department of the Environment, senior official, 2.1.92). The monitoring committee system for this project as for all EC cross-border scheme provides opportunities for cross-border communication. However, the IGC provides the momentum for all these cross-border schemes (Interview, Department of the Environment, senior official, 2.1.92).

Moreover, there is a general problem that the amount of money available for cross-border schemes is relatively small, to date. Although the EC is vital to the Republic's economy, only a small per cent of the total amount received is devoted to cross-border co-operation. Hence, given that the numbers involved in each scheme are small and that the monetary value of each scheme is also relatively small, the potential for broader co-operation is limited.

The Leader and Rural Development schemes are only in their fledgling stages and therefore it is more difficult to determine their implications for cross-border co-operation. However, the same point emerges as above, that only those civil servants who are involved directly with each scheme can expect to increase cross-border

contacts and the number of those involved in each scheme is small. On the other hand, although the size of schemes is small in the Leader and Rural Development programmes, there are numerous rural development schemes which overlap with IGC developments and complement Interreg and the Operational Programmes.

Despite these new initiatives, the general impression received from civil servants interviewed is that the Departments of Agriculture on both sides of the border "have always had a close relationship" (Interview, Department of Agriculture and Food, senior official, 28.1.92). There was a general caution in ascribing too much influence to the EC in the field of agricultural cross-border co-operation. For example, when asked about a steering committee for rural development co-operation set up by the IGC, the above official commented that: "Setting up steering committees is simply a political development. ... It's not necessarily the EC that encouraged it" (Interview, Department of Agriculture and Food, senior official, 28.1.92).

The main point conveyed by civil servants who worked in the agricultural sectors was that cross-border co-operation in this sector had existed anyway, irrespective of EC influence. This point emerged in relation to all the EC schemes. For example, in the field of disease eradication there have been strong links between both departments on either side of the border. Moreover, two officials from the department of Foreign Affairs commented separately, that so much else coincided with Irish and British membership of the Community, it was impossible to judge the effect of the EC (Interview, Department of Foreign Affairs, senior officials, 21.1.92 and 27.1.92).

The conflict in Northern Ireland began in 1968, membership of the EC occurred in 1973, as did the Sunningdale Agreement (chapter two). The AIA was signed in 1985 and the SEA was signed only two years later in 1987. Cross-border co-operation had always existed to some degree. These civil servants cited the examples of Lemass' visit to Northern Ireland in 1965 (chapter two) and of cross-border studies which were commissioned in 1977. Yet, despite the difficulty in determining the independent effect of each factor on the cross-border relationship, be it the EC, or the AIA, civil servants who were interviewed generally believed that the AIA had been the dominant influence on the Irish/Northern Irish cross-border relationship in the 1980s.

iv. The Anglo-Irish Division and Civil Service Co-operation

What emerges from all the interviews with civil servants is the centrality of the Anglo-Irish Division of the Department of Foreign Affairs and of those members of the NIO who are involved in the AIA to the overall Irish/Northern Irish cross-border relationship. The importance of these divisions in advancing cross-border co-operation arises from the fact that for many Irish and Northern Irish civil servants there are no short term benefits perceived to exist from engaging in cross-border co-operation. In fact, in certain areas of civil service activity, Northern Ireland and the Republic of Ireland are perceived to be rivals, not co-operators. In contrast, the Anglo-Irish Division has an over-riding political interest in encouraging cross-border co-operation. It has increasingly emphasised the importance of advancing economic cross-border co-operation so as to achieve this aim.

There are a number of areas where economic conflicts of interests exist between Northern Ireland and the Republic of Ireland. Put bluntly by one civil servant: "If you were Dev, we're all Irish, but we fight like cats and dogs over particular industries" (Interview, Department of the Environment, senior official, 26.2.91). Tourism is a case in point. There have been conflicts between both parts of Ireland over the promotion of tourism. The continuation of conflict in Northern Ireland has led Bord Fáilte (the Irish tourist board) to detach itself from any association with Northern Ireland. Bord Fáilte fears that because of the conflict in Northern Ireland, tourists do not visit that region. If the Republic co-operates in tourism with Northern Ireland, then the Republic will suffer from Northern Ireland's negative image. The Irish department of tourism is also keen to increase the number of visitors to the Republic. It fears losing visitors to Northern Ireland. In contrast, those who are involved with the AIA are keen to advance cross-border tourism co-operation. The Northern Ireland Tourist Board (NITB) would prefer to sell the island of Ireland as one tourist destination, precisely because the conflict within the six counties is a disincentive to visitors. It feels that Northern Ireland would benefit from the Republic's green and peaceful image.

Hence, there is a difference in priority between the Anglo-Irish Division and the department of tourism, the former department encouraging e.g., joint marketing of Ireland to potential tourists, the latter claiming to "introduce an element of reality" (Interview,

Department of Tourism, Trade and Industry, senior offical, 2.1.92). There is also a difference in priority between the Northern Irish tourism division and its Irish counterpart. For the Northern Irish tourism division, cross-border co-operation would benefit the Northern Irish tourist trade, but for the Irish department it is not perceived to be of benefit.

Another area where contrasting priorities are held by the Anglo-Irish Division, NIO and other civil service departments is the field of transport. Here there are two main difficulties. The main one related in 1991 to the proposed Dublin-Belfast railway improvement scheme. According to a member of the Department of Transport in London, originally the Irish government proposed the improvement of the Dublin-Cork rail link, but then suddenly shifted to proposing that the Dublin-Belfast link be improved (Interview, Department of Transport, (UK), official, 14.11.91). The decision to improve this link was eventually announced in 1992 after considerable delay. Before its announcement pressures mounted on the Irish government to improve the link. A letter was sent from Richard Needham, then Minister for Economic Development, Northern Ireland, to Séamus Brennan, then Minister for Tourism and Transport, in January 1992, in an attempt to encourage the scheme, but it met with no response. (Interview, Department of the Environment for Northern Ireland, senior official, 22.1.92).

Similarly, the consultants Coopers and Lybrand advised that the Dublin-Belfast improvement rail scheme should begin as soon as possible. The problem for the Irish government was not one of an absence of common economic interest with Northern Ireland, as much as a difficulty in choosing between various competing economic and political demands in a climate of economic recession. The scheme itself was too costly, according to the Department of Finance (Interview, Department of Finance, senior official, 7.1.92). However, more to the point the Irish government had to weigh up the number of votes gained by developing the Dublin-Belfast link compared to that gained by investing money in some other area of the twenty-six counties (Interview, 14.11.91). Overall, as one civil servant said: "We [the Republic] have to look after our own interests first and let the UK look after Northern Ireland" (Interview, Department of the Environment, senior official, 26 2.91).

There is also a difference in priorities among Irish and Northern Irish civil servants with respect to the significance each civil service

attaches to the EC. As long as the UK continues to subsidise the Northern Irish at the existing rate, EC aid will be less important to the Northern Irish economy than to the Irish economy. In 1991-1992, the UK donation amounted to 1.7 billion per annum whereas the Commission's donation amounted to 100 million (Interview, Department of Finance and Personnel, senior official, 20.1.92). By 1993, the UK's donation was over 3 billion pounds (O'Leary et. al, 1993, Appendix 1). The general theme running through Northern Irish discourse in the interviews conducted, was that Northern Ireland is part of a "rich European nation" and that "the pay-masters must be the crown". (Interview, Department of the Environment for Northern Ireland, senior official, 22.1.92). It is encapsulated by the statement that: "Financially, we [Northern Ireland] will never be dependent on Europe, we will always be dependent on the UK" (Interview, Department of Finance and Personnel 20.1.92).

In contrast to the above Northern Irish civil servant, civil servants in the Republic emphasised the significance of the EC to the Irish economy, reflecting the fact that EC receipts account for 7 per cent of GDP. As one official put it: "The Commission's capacity to influence is dictated by money ... the Irish [Republic] have to listen closely" (Interview, Department of the Environment, senior official, 26.2.92). Therefore, the Commission may have a potential influence on levels of cross-border co-operation as described in chapter one, but this influence is determined by the amount of money provided by the Commission for cross-border schemes and by the degree to which member states are dependent on that money.

The Republic of Ireland's strong desire to receive EC aid is reflected in its efforts to meet Commission conditions so as to receive maximum aid. For example, in the negotiations for the 1993-1996 allocation of Strucutral Funds, the Commission continued to emphasise the necessity that partnership between the region, the EC and the state would occur.

The Commission was impressed by the fact that the Republic's approach to the idea of partnership had attempted to accomodate these EC conditions (Interview, European Commission, 2.4.93). For example, the Irish Minister for the Environment travelled to each of the seven sub-regional committees to consult with their local representatives. On the basis of these consultations, the Irish National

Development Plan was drawn up (Interview, European Commission, 2.4.93).

In contrast, Northern Ireland showed less desire to meet Commission demands. In this way, it relected its smaller dependence on EC funds. In Northern Ireland, there was "a very minimalist approach" (non-attributable interview). For one official the behaviour of the NICS followed that of Whitehall. According to this official the UK has "a general habit of belittling what the EC does" (non-attributable interview). The NICS "when in doubt" follows the UK's example (non-attributable interview). "When things get difficult, they [the NICS] withdraw behind the Whitehall line" (non-attributable interview). In this way, the NICS and the Irish civil service do not share a common approach to the EC.

The fact that the NICS is dependent upon the UK means that it is more influenced by Whitehall in its behaviour towards the EC. As Whitehall is less enthusiastic about EC regional policy than is the Irish civil service (see p. 79), then the NICS is forced to exhibit a different response to EC regional policy. Moreover, there is less freedom to re-organise the Northern Irish planning system than in the Republic. In particular, it would be highly difficult to increase the power of local government in Northern Ireland, given the political sensitivity of local government (see pp. 42 and 48).

Thus, if the NICS places less importance on EC receipts than does the Irish civil service, it would be wrong to assume that its response to these funds is entirely of its own volition. It is more constrained in its response to the EC than is its Irish counterpart. For example, many NICS civil servants who were interviewed complained about the additionality problem and were aware of the existence of a conflict of interests between the NICS and Whitehall in this regard. They did desire to receive more EC aid, but the attainment of their wishes was impeded by the UK government's approach to the EC. However, the fact remains that the NICS, because of UK subvention, needs EC money less than does the Irish civil service. Thus, there are different priorities held by Irish and Northern Irish civil services in their approach to EC aid.

Another example of the existence of conflicting interests between Northern Ireland and the Republic is that of the Irish ports. The ports in Northern Ireland, in particular Larne compete with those in the Republic, in particular Dublin. During the 1988 negotiations

between Irish, Northern Irish and Commission representatives a major difference revolved around the Commission's desire to invest in one port which would serve the island of Ireland as a whole. Larne was suggested as a suitable investment venture, but the suggestion was much opposed by the Irish delegation, because it feared that its Irish ports would lose customers to Northern Ireland (Interview, Department of the Environment, senior official, 2.2.92). Similarly, any concentration of EC aid on Dublin port was an anathema to the Northern Irish.

Whitehall, negotiating on behalf of Northern Ireland presented a "compromise" proposed by the Republic, as a solution to the stumbling block. The proposed solution entailed improving Northern links to Dublin, so that hauliers in the North could use the Dublin-Holyhead link more easily. The outcome would be to shift investment away from Larne to Dublin. In the face of Northern anger at this proposal, no decision was reached on the port issue.

The existence of different priorities between Northern Irish and Irish civil services implies that there is no automatic link between specific cross-border initiatives and spillover to broader cross-border civil service co-operation. For many civil service departments there are no perceptible short term benefits to be derived from cross-border co-operation. The EC has not provided adequate financial incentives to overcome the possible losses which would result, for example, from, developing Dublin port at the expense of Larne. Long-run efficiency becomes a speculative argument and it is short term profit and loss which dominate civil servant thought. In the short term Northern Irish and Irish civil servants perceive there to be losses for their regions in some sectors because of cross-border co-operation. In these areas, Northern Ireland and the Republic of Ireland are rivals not co-operators.

Civil servants departments which are involved in the overall planning of the economy have been criticised for having "clear sight over short distances", in the Republic at least. The National Economic and Social Council (NESC) in the Republic, has repeatedly voiced its concerns that the poor level of planning in the Republic will hamper development. In 1989, for example, it emphasised the need for a long run coherent strategy which would prepare the Irish economy for the SEM and bemoaned the fact that no such strategy existed (NESC, 1989, p. 215). Similarly, Garvin has commented that the usual Irish reaction to

a potential or future problem is to ignore the problem until one trips over it (Garvin, 1989).

These criticisms may be applied to the NICS also. It too perceives a conflict of interests between itself and the Irish civil service, in the areas discussed above and this conflict of interests is arguably based upon shorter term perception. For example, its assertion that Northern Ireland does not need the EC as much as does the Republic rests on the assumption of UK willingness to subsidise the Northern Irish region. In the long run this willingness and, indeed, ability may not exist. Hence, although the EC theoretically creates common interests between both parts of Ireland, as described in chapter three, a short-term perspective among certain civil service departments prevents widespread civil service cross-border co-operation co-operation.

This emphasis on "short termism" is not as great for those civil servants who are involved in Anglo-Irish affairs. The depth and longevity of conflict in Northern Ireland means that its resolution is likely to be a gradual process. Thus, the Anglo-Divisions in the Northern Irish and Irish administrations share a long-term approach to policy-making. The AIA itself was posited not as a solution, but as a framework for a solution to the Northern Irish problem and there is a general consensus that activities of relevance to Northern Ireland will move slowly:

> The way to make progress is not to get carried away on the political side, but to take a pragmatic step by step approach, rather than get involved with nationalists or unionists who'll block things (Interview, Department of Tourism, Trade and Industry, senior official, 2.2.92).

Similarly, a Northern Irish official noted that initially the implementation of Interreg had to be executed sensitively, but observed that over 1991 this need for sensitivity had diminished and that unionists did not wish to be seen to block an EC-sponsored initiative (Interview, Department of Finance and Personnel, senior official, 20.1.92). Thus, the approach of policy makers in this domain is cautious and gradual. Any change in behaviour, even small, is perceived to be encouraging.

The different approaches of the A-I division, the NIO and other departments were recognised by interviewees. When asked the question of whether there was a problem based on short-term versus

long-term approaches to decision-making, a senior official in the Anglo-Irish Division assented that the Anglo-Irish Division "certainly had a broader vision" (Interview, Department of Foreign Affairs, senior official, 21.1.92). Clearly, the Anglo-Irish Division has its objectives and other departments have theirs. By definition, the Anglo-Irish Division thinks within a thirty-two county framework, because it aims to reconcile communities in Northern Ireland *as well as* reconciling communities in Northern Ireland with those in the Republic of Ireland. Similarly those civil servants in the NIO who are engaged in Anglo-Irish affairs are concerned not only with Northern Ireland but also with the Republic. In contrast other departments operate within the Irish context *or* within the Northern Irish context, but not with respect to both contexts, because their priority is to administer either the Irish state or the Northern Irish region. Thus, responsibility for cross-border co-operation is delegated by these civil service departments to the Anglo-Irish Division.

Apart from this administrative division of labour, there is a genuine reluctance on the part of non-Anglo-Irish Division members to interfere with what is a very sensitive area of civil service and political activity. For example, the head of the EC Division in the Irish Department of Foreign Affairs commented that for political reasons he tended not to get in touch with the North directly over an EC matter, but contacted the Anglo-Irish Division (Interview, Department of Foreign Affairs, senior official, 27.1.92).

The above paragraphs establish that the Anglo-Irish Division holds a key position in the administration of cross-border co-operation. There is no widespread co-operation among all civil service departments. Instead such co-operation occurs in small pockets. Arguably, the influence of the AIA on cross-border co-operation means that its overshadows that of the EC. However, the EC's influence on the Irish/Northern Irish civil service cross-border relationship has been examined in the above paragraphs only by default i.e., by exposing that the Anglo-Irish Division has chief responsibility for cross-border initiatives and that cross-border initiatives in other departments are limited. In the next section, the EC's role will be examined explicitly, so as to determine more accurately its relative weight vis-à-vis the Anglo-Irish Division and to evaluate its overall effect on cross-border co-operation.

v. The European Community and Co-operation

It is clear that what is lacking in the administration of cross-border co-operation is a formal policy of co-operation which would cross-cut departmental spheres of activity and lessen civil servants' perceptions that cross-border initiatives are the Anglo-Irish Divisions' responsibility. One main question is whether or not the absence of such a formal policy impedes the EC from increasing cross-border co-operation between Northern Ireland and the Republic of Ireland. This question was addressed by one civil servant who commented on what he perceived to be the academic's desire to give a structure to everything, when in practice "structure isn't all" (Interview, Department of Foreign Affairs, senior official, 27.1.92). This civil servant's argument assumes that each programme trundles along and achieves its own aims quietly. The absence of a formal co-ordinating structure or of a widespread co-operative effort among civil servants does not hinder the activities of those involved in each co-operative venture. In fact, so this argument goes, in the context of the political situation in Northern Ireland it can do more harm than good to have a structure, for any formality only gives publicity to activities and may cause a backlash from extremists in Northern Ireland.

Therefore, the EC can have an impact on cross-border co-operation, despite the absence of a cross-cutting co-operative policy which runs through all departments. The Anglo-Irish Division through the activities of the IGC, harnesses EC initiatives and provides the dynamism which increases co-operation. The AID itself performs a co-ordinating role. Its members know who exactly is involved in the various EC cross-border schemes. Thus, the limited involvement of other civil service departments is inconsequential. The result of all these individual cross-border programmes will be increased cross-border co-operation, whether or not all or many civil servants are involved in these programmes are not.

For example, if under Interreg minor roads along the border are to be improved and under the Operational Programme for Transport the Dublin-Belfast motorway is to be improved, then the absence of a coherent policy in the Department of Tourism and Transport as a whole, or of some co-ordinating structure linking the two programmes does not necessarily hinder the building of either road. Moreover, the reaction of people in both parts of the island does not rest on the

premise that a co-ordinating structure exists. The relationship is simple: the existence of common economic interests leads to the existence of individual sets of cross-border programmes which lead to general cross-border co-operation.

Once again we are back to the assumption that there is a sufficient number of common economic interests to allow widespread civil service cross-border co-operation. One official claimed, for example, that there are so many areas of common interest to work upon, the areas of conflict are insignificant (Interview, Department of Foreign Affairs, senior official, 21.1.92). However, the argument in this chapter has been that on the contrary, there are not sufficient bases for civil service co-operation, for if there were then individual departments on both sides of the border would have forged increased and closer links with each other and would be more willing to assume responsibility for cross-border initiatives. If sufficient common interests were perceived to exist by civil servants to achieve cross-border co-operation, then there would be more widespread knowledge of existing cross-border schemes among those civil servants who were interviewed.

There is another argument which proposes that the EC has succeeded in increasing cross-border co-operation. The idea is that the EC, even if it is not affecting all civil service departments equally is influencing the cross-border dimension of the Anglo-Irish divisions. It is providing scope for the administration of increased cross-border economic cross-border co-operation, through its regional policy. EC regional policy has created further incentives for cross-border co-operation among Anglo-Irish division civil service departments.

There are three main problems with the above argument. The first counter-argument is that yet again, the evidence of sufficient EC money to finance cross-border initiatives is not there. Given limited EC aid for cross-border schemes, the effect of EC initiatives on the activities of the Anglo-Irish Division is limited. Secondly, co-operation for our purposes refers to a situation where there are conflicts of interest (see p. 17). These conflicts are not so evident between the EC and the Anglo-Irish Division. The EC's interest in advancing cross-border co-operation complements the work of the Anglo-Irish Division. The relationship between the Anglo-Irish Division and the theme of cross-border co-operation is one of harmony.

For the effect of the EC on civil service cross-border co-operation to be meaningful, there would have to be evidence that the EC had altered the perspective of those departments where *conflicts* of interest existed. In other words, evidence is needed that the EC has transformed rivals into allies. No such evidence exists.

A third counter-argument is that even if the EC, through the Anglo-Irish Division, had affected overall civil service co-operation, the concept of spillover from economic to political co-operation cannot be up-held. Because the Anglo-Irish Agreement, which has fostered the activities of the IGC, is a political agreement, any response of other departments to its demands for economic co-operation is a response to political co-operation. Only if civil service departments respond directly to the EC can the neo-functionalist argument that economic co-operation spills over to political co-operation be upheld. If the EC's influence was sufficiently strong, then civil servants would indeed be responding directly to the Commission. As it is, the small Anglo-Irish Division is most affected by the EC.

By complementing the A-I division's work and by affecting those civil servants who are responsible for specific cross-border schemes, the EC has had some effect on cross-border civil service co-operation. However, the EC has "changed things at the margins" (Interview, Department of Finance, senior official, 7.1.92).

The impression that the EC's effect on civil service cross-border co-operation has been limited is heightened by other interviewees. For example, one official commented that overall, the area of EC-sponsored cross-border co-operation is weakened because there is not a series of structured meetings. He added that:

> If the Brooke talks had succeeded to Strand Two, then I would foresee an increase in co-operation, but then again I wouldn't want to exaggerate it. There isn't an enormous amount of money, but you are talking about something more structured (Interview, Department of Foreign Affairs, senior official, 21.1.92).

Again, for this interviewee the A-I process and the talks process is the main influence on cross-border co-operation, not the EC. Similarly, another official of Foreign Affairs while attempting to weight the significance of the EC returned to the IGC: "I wouldn't want to underestimate the part played by the Anglo-Irish Agreement. It has focused things a lot better" (Interview, Department of Foreign Affairs,

senior official, 27.1.92). Another official observed that: "It is political will which is bringing the thing together" (Interview, Department of Foreign Affairs, senior official, 21.1.92). The conclusion is drawn that, to date, the Anglo-Irish Agreement and not the EC has been the main determinant of civil service cross-border co-operation between Northern Ireland and the Republic of Ireland.

vi. Conclusion

There are possible qualifications to be made to what appears to be a rather gloomy analysis from the perspective of neo-functionalism. The main qualification is that the above analysis may be criticised for being narrow in vision. It assumes that the amount of money made available by the Commission for cross-border initiatives will remain small. It is important to note that this study concentrates only on the period to 1993. The possibility that the EC may have a greater impact in the future is not ruled out. However, a number of conditions must be met, if there is to be a future impact on civil service cross-border co-operation.

Obviously, the amount of money made available by the EC must increase substantially, so that conflicting policy interests may be transformed into common interests. In this way, the amount of money available for cross-border projects becomes large enough to persuade civil servants that there is a short-term as well as a long term benefit to be reaped from engaging in cross-border co-operation. Nor must an increase in EC financial aid imply that national governments substitute EC money for money they would have spent themselves anyway. Additionality must apply. The large scale UK subsidisation of the Northern Irish economy is an impediment to the existence of a stronger EC influence in Northern Ireland. Some shift in the balance of EC versus UK financial aid is necessary to give the EC a stronger voice.

Secondly, the existence of the Commission's political will is fundamental in increasing levels of Irish/Northern Irish cross-border co-operation. The amount of money it provides to this end reflects its determination to affect the relationship between Northern Ireland and the Republic. It is essential in this regard that the Commission does not perceive the Irish/Northern Irish border as one case among many of an inland border, but to make a more concerted effort to use the EC

framework as a means to overcome the specific and intense political conflict in Northern Ireland.

Assuming that these conditions are met, then, it is possible to conceive of the EC increasing levels of civil service co-operation between Northern Ireland and the Republic, in the future. Civil servants who were interviewed were responding rationally to the incentives for co-operation they perceived to exist. To increase cross-border co-operation, the short-term as well as long term benefits from such co-operation must increase. Civil servants do not perceive there to be adequate incentives for cross-border co-operation as yet. Whether civil service reaction to EC policy typifies the reaction of other Northern Irish and Irish actors is examined next.

Chapter Five

Economic Elites and Cross-Border Co-operation

Introduction

There is little evidence from the previous chapter that administrative cross-border co-operation is increasing significantly as a result of the EC's influence. Instead, the co-operation that is evident appears to be motivated more by the Anglo-Irish Agreement and the activities of the IGC. However, the question remains as to how economic élites are responding to EC regional policy reform and to the creation of the SEM.

In this chapter I argue that levels of economic élite cross-border co-operation vary according to which sector, agriculture, tourism or transport, is examined. In some areas of the transport sector there is evidence of change in the cross-border economic relationship. In particular, the Irish and Northern Irish Confederations of Industry (CII and CBI-NI) have embarked upon co-operative schemes. In contrast, the farmers' unions in both parts of Ireland have not altered their relationship with each other and remain distant from each other's activities. Hence, I will argue that the case of economic groups provides mixed evidence as to the EC's effect on the Irish/Northern Irish cross-border economic relationship, but that it is clear that the EC is altering that relationship.

The groups which will be studied are perceived to be the principal ones whose activities impinge upon the agriculture, transport and tourism sectors. The term élite is used in a loose fashion to describe the key influential economic powers in Northern Ireland and the Irish Republic. The UFU (Ulster Farmers Union), the IFA (Irish Farmer's Association), the Confederations of Industry, the Chambers of Commerce, Bord Fáilte, the Northern Irish Tourist Board (NITB) and the bus and rail companies are taken as a sample of economic élites in both regions.

The activities of business groups in the cross-border co-operative sphere relate mainly to demands for transport improvements. Hence, the term 'business sector' and 'transport sector' will be used synonymously for the purposes of this chapter. Executive agencies of the government are included in this chapter (that is, rail, bus and tourism promotion companies), as opposed to the civil service chapter, because employees of these bodies are exposed at first hand to purely economic factors

(profit margins and costs). These factors dictate their preferences and the information which is supplied to government. The possibility that preferences are different from those of the government implies that these agencies may play a lobbying role.

Trade union officials were not interviewed for this chapter. The reason for this omission was because many explanations for the signing of the SEA have focused upon the role of European businesses in influencing that act (see p. 13). Business in particular has been argued to have a vested interest in the deregulatory provisions of the SEA and in the creation of the SEM (ibid). This chapter is a direct response to that argument. Business group activity is taken as a critical test of neo-functionalism, because if these groups are not engaging in increased levels of cross-border co-operation because of EC policy changes, then, given the alleged significance of these policies for business, it is unlikely that other economic interest groups will be engaging in cross-border activities. Ideally, trade unions would be examined to illustrate this point, however, given time and word constraints, it was not practical to include such an examination.

There are key topics which demand elaboration before discussing the response of interest groups to EC initiatives. In the first chapter, I examine the role of interest groups at the European level. In section two, I provide a brief outline of the Irish and Northern Irish economies and describe the theoretical rationale for cross-border co-operation in each sector. Section three focusses on the response of interest groups both North and South of the border to EC initiatives. In the final section, the neo-functionalist argument will be examined in the light of the findings and the grounds for neo-functionalist optimism will be evaluated.

i. The Role of Economic Elites in the National and EC Decision-Making Processes

Economic élites may influence decision-making processes formally through their membership of interest groups, for example, farmers in the Republic are represented by the IFA. It is necessary to examine the role of these organised interests in the decision-making process. In this section I examine the role of interest groups in the decision-making

process as well as the general influence of agriculture and of business on regional/national decision-making outcomes.

Business and Agricultural Influence in the Irish Republic and Northern Ireland

Businesses and agricultural actors may organise themselves into interest groups. Interest groups are an important part of the political and economic fabric of Northern Ireland and the Irish Republic. In the Republic the most efficient interest groups belong to the industrial, commercial and agricultural sectors (Chubb, 1992, p. 111), that is, to those sectors which are examined in this thesis. These groups are clear examples of 'insider' groups with access to governmental officials:

> The strongest economic pressure groups, the major agricultural and employer organisations, have very efficient intelligence and representational services. Trade unions ... are less well equipped, because they are less affluent (Chubb, 1992, p. 121).

Representatives of these groups lobby civil servants, advisers to ministers and the EC. The degree of consultation with interest groups has increased dramatically over the past three decades leading one commentator to observer that:

> Increasingly in Ireland, as in many democracies, the making of governmental decisions is not a majestic march of great majorities united upon certain matters of basic policy. It is the steady appeasement of relatively small groups (Chubb, 1992, p. 121).

This feature of the Irish decision-making process means that interest groups in the Republic have large scope to influence decision outcomes. The importance of the business and industrial sectors to the Irish economy implies that these sectors, in particular, form a potentially powerful force in Irish planning.

Similarly, the role of interest groups is not insubstantial in Northern Ireland. Moreover, the business and agricultural sectors have traditionally enjoyed a prominent position in the politics and economics of Northern Ireland. The Ulster Farmers' Union has been closely linked to the UUP (see below) and given the dominance of that party for so

much of Northern Ireland's existence, the UFU was clearly an influential power. The importance of agriculture to the Northern Irish economy ensures that the UFU is still in an influential position. Similarly, business representatives in Northern Ireland have traditionally been of unionist persuasion[1] and have enjoyed a prominent position.

The importance of business in Northern Ireland arises also from the fact that the British government has been inclined to give business people prominent positions in the administration of the region's economy. The proliferation of quangos (Cradden and Erridge, 1990, p. 102) has facilitated this decision. Moreover, the appointment of business people to administrative positions has occurred because business people may be perceived to be less divisive than Northern Irish politicians. Moreover, the small size of the Northern Irish region means that often the same people are found in various influential positions, both in the private and the public sector. In this way, Northern Irish interest groups are particularly influential:

> In a close knit industrial and commercial community ... you have the advantages of shorter lines of communication — a frequency of individual, personal and on-going contact ... The speed and effectiveness of communications here are likely to make for the early resolution of difficulties (Rigby, quoted in Cradden and Erridge, 1990, p. 103).

However, the important distinction between interest group activity in Northern Ireland and that in the Republic arises from Northern Ireland's status as a region of the UK. Northern Irish unions are affiliated to 'parent' organisations in the UK. The CBI-NI is part of the CBI and the UFU is affiliated to the NFU in London. The Northern Irish unions may enjoy an intimate relationship with the NICS, but they are further removed from the ruling government in Westminster. In contrast, Irish unions have direct access to the Irish government. Despite this distinction, however, the argument remains that interest groups in both Northern Ireland and the Republic are influential bodies in the

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[1] Cradden and Erridge note that "so far as the political future of Northern Ireland is concerned, the CBI-NI is committed to the union with Britain" (1990, p. 101).

decision-making process. Increasingly, these groups are also focusing their attention on the EC's decision making process.

Interest Group Participation in the EC's Decision-making Process

Neo-functionalists advocated a central role for interest groups in the EC's decision-making process (see p. 11). Changes in the national and European environment would lead to a coalition between European interest groups (EIGs) and the Commission. However, the potential for interest groups to influence the EC's decision-making process needs to be examined in practice. Lobbying occurs at three phases of EC decision-making process. Following the formal adoption of a proposal, interest groups concentrate their lobbying activity on the *rapporteurs* of the European Parliament (EP) and Economic and Social Council (ESC) committees. Each committee drafts an opinion and this opinion is voted upon in a plenary session. At the final stage of the EC's decision-making process, before the final adoption of a proposal, the most sensitive issues of the relevant decision still remain. For interest groups this stage is the most critical one (Magowan, 1992, p. 5). Interest group lobbying takes two forms: first, EIGs make a joint and concerted effort to influence the Council as a whole; and, second, EIGs lobby their national ministers (ibid). Ministers themselves seek out allies among their EC partners who may support their opinion on a particular issue. Much horsetrading occurs at this point between potential allies.

Interest groups are a vital source of information for the Commission (Kirchner and Schwaiger, 1981, p. 10). It is unlikely that the Commission could know the specific conditions of individual member states unless interest groups provided this specific information (ibid). Moreover, if the EIGs were not consulted, they could influence the Council to block a particular proposal (ibid).

It is clear that there is indeed a potential role for interest groups at the EC level to lobby and influence the decision-making process. However, in practice the influence of interest groups varies across different policy domains. The main determinants of EIG success in influencing EC policies are the existence of a coherent Community policy and also the demonstration effect of one set of interest groups

successfully lobbying the Community (Kirchner and Schwaiger, 1981, p. 32). It has been argued that agriculture, private industry and banking constitute the most well-developed sectors of EIG activity (Kirchner and Schwaiger, 1981, p. 31). Transport, small business and white-collar trades unions are the least developed sectors, with the Chambers of Commerce and public enterprise in-between. Thus, the sectors of interest group activity to be studied here, agriculture and industry, fall into the well developed category.

Attempts have been made to apply both pluralism and corporatism to the activity of EIGs, but neither theory can be applied generally to all cases of activity (Greenwood & Ronit, 1992, pp. 6-7). Hence, the relationship between farmers' interests and the EC has been described as 'quasi-corporatist', (Mazey and Richardson quoted in Greenwood & Ronit, 1992, p. 7), while the inability of interest groups in general at EC level to agree on anything other than the lowest common denominator decision has also been noted (Grant, quoted in Greenwood and Ronit, 1992, p. 7). Thus, both the EC and the regional/national government form foci of interest group activity, but to date national government has been the more important focus of activity. In the next section, I examine the rationale for economic élite cross-border co-operation either at EC or at national/regional level.

ii. Economic Structure and the Rationale for Cross-Border Co-operation

The economic context

Peripherality is a word which is often used in relation to Northern Ireland and the Republic of Ireland. Peripherality refers not only to geographic location, but also to economic indicators, such as high unemployment rates and low economic growth. The economic context of this study is obviously bleak. Some statistics will serve to illustrate the context within which economic interest groups operate, amplifying the data included in the early part of this study.

The unemployment figure for the Republic of Ireland is 20 per cent of the labour force, one of the highest rates of unemployment in the

EC (Keane, 1993, p. 9). In Northern Ireland, in 1991 the unemployment rate was 19 per cent, the highest in the UK (Ireland in Europe, 1992, p. 29). As regards growth, the picture is scarcely consoling. In the Republic, the growth rate, defined as the increase in Gross Domestic Product per annum, has been an average of 5.3 per cent per annum in the period 1986 to 1990 (Ireland in Europe, 1992, p. 5). Although this figure is comparatively high, the large burden of debt repayment accrued in the late 1970s means that the actual effect of this export led growth is not reflected in increased employment. In Northern Ireland the growth rate for the period 1986 to 1990 was 1.8 per cent, substantially lower than that of the Republic (Ireland in Europe, 1992, p. 5). Another difference already noted is the high level of UK subsidies granted to the Northern Irish economy (see p. 116).

Figure 5.1 presents a breakdown by sector of the two economies. The importance of agriculture to both regions is obvious, as is the significance of the service sector. The data do not automatically strengthen the case for interest group co-operation. However, the similarities in the plight of the Irish and Northern Irish economies has created, theoretically at least, incentives for cross-border co-operation (see p. 71). The incentives for cross-border co-operation in business and in agriculture will be examined in greater depth in the next section.

Figure 5.1: Percentage Distribution of GDP by Broad Sector in 1990

	N. I.	ROI
Agriculture	4	10
Industry	28	35
Services	68	55

Source: Ireland in Europe: A Shared Challenge, 1992: 24, (adapted)

The business sector

The creation of the SEM is an all-encompassing venture with implications for the economy as a whole. Hence, the threat to Irish and Northern Irish industries and the opportunity for cross-border co-operation can be defined as a general one. Both Northern Ireland and the Irish Republic will face increased competition from other EC economies (see pp. 71-72). Apart from the handicap of peripherality, Northern Ireland and the Republic face the worldwide phenomenon of concentrated ownership. For small economies like that of the Republic and Northern Ireland, the removal of barriers to trade opens the floodgates to highly competitive imports from abroad with adverse consequences for both economies.

The opportunities for cross-border co-operation hinge upon maximizing Irish market opportunities so as to stem outside competition. If both the economy's and the firm's small size is the major weakness of Irish and Northern Irish industry, then the obvious move is to realise potential market size and to rally existing forces together so as to combat outside competition. Doing so entails that both parts of Ireland act as one economic unit. In practical terms this action means that joint ventures occur between firms on both sides of the border. For example, two firms from each side may join to make a tender for an outside building contract, or in the extreme both companies merge, so that economies of scale are maximised.

The second way of maximising business opportunities is by penetrating unexplored markets and then developing these markets. In other words, co-operation implies increased trade between Northern Ireland and the Republic. The development of markets necessitates market research and information which, in turn, demands increased levels of personal cross-border contact between business interests. In the field of tourism, it can mean selling the island of Ireland as one product, that is, a joint marketing strategy.

A final method of co-operating in the business sphere is by lobbying government to create the conditions which facilitate such co-operation. The main condition is the existence of adequate transport

infrastructure between the two regions, so as to lessen the costs of trade and of communication. In this way, the transport sector is an integral part of business co-operation. Thus, there is spillover between those industries which do not appear to be related to transport industries and those industries whose profit arises directly from transport — the bus and rail companies. It is clear that all such sectors have an incentive to lobby for the improvement of inland infrastructure.

From interviews for this chapter it is clear that the extent of such cross-border co-operation was not large before to the 1989-1993 period. In contrast to the general effect of the SEM on all business activity, the CAP reform effects particular sectors of the agricultural domain.

The agriculture sector

The threat posed to agriculture on both sides of the border by the reform of the CAP is large. However, the potential for cross-border co-operation in agriculture depends on the relative importance of each *specific* agriculture product to both economies on each side of the border. If one product is less important to one economy than to another, then obviously any threat posed by CAP reform in the given product sector is not common to both economies and the basis for co-operation is weakened.

Three main areas constitute the most vital sectors for agriculture in Northern Ireland and the Republic are milk products, cereals and livestock. Milk products, cereals and beef/veal are responsible for 50 per cent of FEOGA expenditure, that is, of total CAP price policy expenditure. Not surprisingly, it is these sectors which are attacked strongly by the reform proposals. The 1991 Commission 'Reflections Paper' on CAP reform proposes a cut in overall prices. For cereals, the envisaged cut is 35 per cent; for milk, 10 per cent; and for beef the intervention price (the price at which the EC buys up surplus beef) will be cut by 15 per cent. The degree to which compensation will be offered for these cuts depends on the livestock to land ratio, that is, the stocking rate. Those farms with high stocking rates, that is larger farms, stand to lose more from the MacSharry proposals.

The Commission argues that the price cut in cereals will lead to lower input prices for those sectors which are based on animal grazing, where cereals are used to feed animals. Therefore, lower prices in the milk and livestock sectors are justified because of lower production costs. Moreover, a compensation scheme will operate to offset the lower farm income received by those farms which are hard hit by the CAP reforms.

The Commission's pledge to reform the CAP has also been caused by pressure from the EC's GATT partners, especially from the USA, who demanded a weakening of the EC's protectionist policy. By September 1993, the outcome of the GATT negotiations seemed likely to threaten agricultural interests. Strong French opposition to the Blair House accord was supported quietly by the Irish and Spanish governments.

The structure of agriculture on both sides of the border is similar, with a large emphasis on grassland enterprises, in particular, cattle and livestock. Figure 5.2 lists the proportion of gross agricultural output (GAO) accounted for by each sector for both economies. In general, the similar structure of agriculture in Northern Ireland and the Irish Republic has limited the scope for cross-border trade in agriculture. However, pigs, poultry and eggs have declined in significance for both economies, but remain more important to the Northern Irish economy than to the Irish one, accounting for 16.4 per cent of GAO in Northern Ireland and 9.4 per cent in the Republic. Cereals, by contrast, are more significant to the Irish economy than to the Northern Irish economy, accounting for 5 per cent and 7 per cent of GAO respectively. Apart from these sectors, the structure of agriculture is broadly similar on both sides of the border.

Figure 5.2: Proportion of GAO by Main Sectors, 1972 and 1975

	N.I.		ROI	
	1972	1985	1972	1985
Grassland Enterprises				
Cattle	33.0	36.3	40.8	38.8
Milk	22.1	26.5	27.8	36.5
Sheep and Wool	2.7	5.0	4.4	4.0
	57.8	67.8	73.0	79.3
Farmyard Enterprises				
Pigs	19.6	11.4	11.0	5.7
Poultry and Eggs	14.4	5.0	10.2	3.7
	34.0	16.4	21.2	9.4
Crops				
Cereals	0.8	7.0	1.1	5.0
Other Crops	7.4	8.8	4.7	6.3
	8.2	15.8	5.8	11.3
Gross Output	100.0	100.0	100.0	100.0

Source: NESC and NIEC, 1988: p. 5.1.

The breakdown of the agricultural sector demonstrates that the reform of the CAP does indeed present a common threat not simply to agriculture in general, but to specific groups of farmers on both sides of the border. There is potential for agricultural élites on both sides of the border to lobby jointly both the Commission and the British and Irish governments, so as to defend their interests. The exchange of information is another important possible manifestation of cross-border co-operation. Both these forms of co-operation necessitate constant contact between farmers' groups and the formulation of a co-ordinated plan of campaign to alter EC farm proposals. However, the similarity in the structure of agriculture, particularly with respect to those products

which are most important to the Irish and Northern Irish economies, implies that there will be less incentive for increased cross-border trade, regardless of EC policy.[2]

Therefore, both agricultural and business interests are presented with opportunities to co-operate because of EC initiatives, but they face different types of opportunities. In the agriculture sector, the main possibility of co-operation is that of joint lobbying and of information exchange. In the business sector, there are three main opportunities — joint business ventures and mergers, increased trade and joint lobbying. The degree to which these possibilities are being explored is the subject of the next section.

iii. Economic Elites and Cross-border Co-operation

There are understandable differences between interviewing members of the Northern Irish economic élite and interviewing their Southern counterparts. In the Republic, the tradeoffs between domestic political issues, foreign policy issues and domestic economic issues, which

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[2] A second category of potential possible co-operation relates to the existence and extent of trade in agricultural produce between the two economies. Of note here is the dismantling of the Monetary Compensatory Amount (MCA) system. MCAs are border taxes or subsidies imposed on goods so that prices in different member states are not distorted by appreciating or depreciating exchange rates. Guaranteed prices and export funds are fixed in ECUs and are converted into national currencies using a green rate. This green rate is fixed by the Council of Ministers. MCAs are the difference between a country's green rate and its EMS or market rate. Hence, MCAs vary in line with currency fluctuations and green rate fluctuations. It is clear, then, that a positive MCA acts as an import levy and export subsidy and is applied where currencies are appreciating.

The existence of different MCAs in member states is an incentive for smuggling. Indeed, the MCA system was introduced as a temporary measure, but depending on the precise economic consequences of the system for some member states, some states objected to attempts to dismantle it. However, with the introduction of the European Monetary System (EMS), the ensuing currency stability lessened the need for MCAs and aided the system's gradual dismantling. British membership of the ERM (October 1990-October 1992) provided greater stability in its exchange rate with respect to the Irish exchange rate. Consequently, there were implications for trade between Northern Ireland and the Republic. However, the exact implications of MCA dismantlement and new agri-monetary rules depend on which rules are used instead of MCAs (Matthews, 1992, p. 74). At the time of writing it was not clear what the exact implications of new agri-monetary measures would be (ibid). Consequently, I do not deal with the implications of MCA dismantlement for agricultural cross-border co-operation in this chapter.

dominate the decision-making process of politicians and civil servants are not prevalent in the business sector's world view. There may be tradeoffs as to how economic aims should be met, but there is no balancing act required in choosing the desirability of possible outcomes — economic aims are pre-eminently important.

In Northern Ireland, however, the business élites are often found holding influential positions in other domains (see above). There is a closer proximity to politics, not simply because business élites may sit on business boards next to members of, for example, the Department of Economic Development (DED) and appear to have an intimate relationship with the latter, but also because the conflict in Northern Ireland permeates every day behaviour. This permeation implies that, in a society divided among those who desire union with the Republic and those who desire union with Britain, the pursuit of cross-border co-operation to maximise profit, may be construed as a vote in favour of union with the Republic. Hence, economic activity is automatically politicised.

In the attempt to avoid such politicisation, members of the Northern Irish business community whom I interviewed were, in general, unwilling to acknowledge the political context of the economic decision-making process. When asked about the possibility that the sectarian divide influenced the behaviour of business élites, one business man replied jovially: "What sectarian divide? There is none in business" (Interview, business representative, 7.4.92) Thus ended the interview. Similarly, another member of the Northern Irish business élite warned of the need to be sensitive in the framing of questions when interviewing the Northern Irish business community in general, but particularly a certain organisation and commented that: "To get into the political arena would be the kiss of death" (Interview, 7.4.92). This sensitivity is also demonstrated by requests from Northern Irish business élites attending cross-border conferences that no list of members from Northern Ireland should be made available to the public, or to delegates attending the

conference in question.[3] Hence, at one profound level, cross-border co-operation in Northern Ireland is constrained by the political situation.

Evidence of Business Cross-Border Co-operation

Conferences and an Atmosphere of Change

Despite the political conditions which on a practical level constrain Northern Irish business cross-border co-operation, it is clear that the EC has a potential effect on such co-operation. The EC does symbolise a more politically neutral agent with respect to Northern Irish politics. As one Co-operation North official from Belfast, on secondment from the EC, observed, communication with groups in Belfast receives a very different response when he emphasises that he is an EC official, than when he appears to be part of the greater Northern Irish fabric. According to the executive, the EC has an image of being non-partisan in Northern Ireland (Interview, Co-operation North official, 6.4.92).

The same executive also detected a change in the business atmosphere with respect to cross-border co-operation. He cited the landmark of a conference of the Institute of Directors, held in Northern Ireland in April 1990 and attended by the then Irish Taoiseach, Charles Haughey. It was the first time that an Irish Taoiseach had crossed the border in 25 years. Another example of cross-border co-operation is a conference held in the Templepatrick Hotel in Northern Ireland entitled 'Selling into the Republic'. Facilities were provided for 60 to 70 company representatives, but to the surprise of the organisers, three hundred company representatives attended. Similarly, a conference in Dublin was well attended by business communities from both sides of the border many of whom engaged in 'networking' to find suitable partners for business. In particular, architects and engineers sought out Southern companies with the aim of making competitive joint bids for construction contracts abroad.

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[3] For example, the Business Co-operation in Ireland conference held in Jury's Hotel, Dublin, March 19, 1992.

Apart from conferences on business cross-border co-operation, Co-operation North also cite the vocal role of prominent Northern Irish business people. In particular, the chairman of the Ulster Bank, Dr. George Quigley, has advocated the desirability of an East Corridor from Dublin to Belfast, which would gain from added investment and increased cross-border co-operation. The East Corridor would then emerge in a sound economic state, ready to face the EC's economic threat and its opportunity. This general principle has been accepted by both the CBI-NI and the CII.

The CBI-NI , the CII and the Chambers of Commerce

There are two key landmarks which appear to indicate a change in business cross-border relations: First, joint initiatives have been implemented by the CII and CBI-NI and, second, proposals for increased cross-border co-operation have been made by the Irish and Northern Irish Chambers of Commerce.

The Confederations of Industry on both sides of the border represent the most significant companies within their jurisdictions. Thus, they reflect and profess the views of business (theoretically, at least) and, as such, are in a powerful lobbying position. Each confederation has special committees which deal with such matters as taxation, fiscal affairs and employment. Added to the list of CBI-NI and CII priorities is the need to improve cross-border co-operation.

Hence, in a new initiative, a Joint Council of both organisations has been established to advance the aim of co-operation. A joint steering group now operates, consisting of four Confederation members from either side of the border. The steering group consists of the Director General and Director of the CII, the Director and Vice-Chairman of the CBI-NI, business representatives from both sides of the border and two especially hired full-time executives with responsibility for the cross-border dimension. The steering group meets four times a year and the Joint Council, consisting of all members of the Confederations who wish to attend, meets bi-annually.

There is a four part agenda: the first part focuses on infrastructure, including transport, energy and education and training;

the second part focuses on public sector led opportunities; the third part relates to private sector led opportunities and the fourth on facilitating activities — this category implies the removal of customs border delays. Under the infrastructure category, the Confederations prioritised the development of the Dublin-Belfast rail link. As we have seen, the Irish government was reluctant to invest in this line, preferring to develop the Dublin suburban railway line (chapter four). However, both the governments of the United Kingdom and of the Republic have recently announced that the Dublin-Belfast scheme will go ahead.[4]

The role of the Confederations of Industry in determining this decision outcome has been emphasised not merely by the Confederations themselves, but by other businesses, by the rail companies and by Co-operation North. The CII has commented that: "The approach could not have happened but for CII/CBI-NI pressure" (Interview, CII senior official, 20.3.92). Moreover, a representative of Bus Eireann noted that: "Lobbying was done by the CII ... the logic being that if you have both systems competing together [that is, bus and rail systems], it is better" (Interview, Bus Eireann senior official, 22.3.92). Similarly, a Northern Irish Rail senior official observed that: "The CBI-NI and CII were very significant in the outcome" (Interview, NIR senior official, 8.4.92). On the other hand, the same executive adds that: "It [the decision outcome] probably would have been done without CBI-NI/CII pressure, but it came through more easily and forcibly [because of it]" (Interview, NIR senior official, 8.4.92). It cannot be disputed that a variety of forces dictated the announcement of the rail scheme. The initiative favoured by the CBI-NI and CII, was music to the ears of the EC's Regional Policy Directorate. Initial meetings were held with the Regional Policy Commissioner, Bruce Millan, who was "positive and extremely receptive" to the confederations' plan (Interview, CBI-NI senior official, 7.4.92).

The significant factor is that the CII/CBI-NI worked in alliance with the Commission, thus approximating the corporatist aspiration of integration theorists. Both interest groups and the EC influenced the UK and Irish governments, in particular the latter, to embark upon the rail

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[4] See the *Irish Times*, May, 1992.

scheme. Moreover, both confederations testify to the influence of the SEM on their joint council initiative. For example, a representative of the CBI-NI, commented that: "A big driving force is the SEM. It provides an opportunity and a threat" (Interview, CBI-NI senior official, 7.4.92). Similarly, a member of the CII observed that: "What has created the environment for this is the SEM, plus the EC putting up large sums of money for Ireland to invest in infrastructure" (Interview, senior official, 20.4.92). There is, thus, a relatively clear causal relationship evident in the rail link example, whereby the European Community has influenced business confederations and these confederations have allied with the Commission to influence government policy.

Overall, the precipitation of the fashionable 'Think Local, Act Global' business manangement strategy is being fostered by the two Confederations. One member cited the statistic that there is the potential for 3 billion pounds extra trade between the two parts of Ireland (Kenna, 1992, p. 2). The development of trade is a priority of the Joint Council initiative. Under the heading of 'Private Sector Development', there is a three strand approach. The first strand entails a general group approach — bringing all key businesses together to see what they think is needed and which exact co-operative approach is favoured. The second strand is a sectoral approach — implying that all companies from the same sector are brought together. Thirdly, the individual company level is approached — in the words of a CII representative, this third aspect entails saying: "This is what we do. This is the available market. We want to expand, now help us" (Interview, CII senior official, 20.3.92). According to the CBI-NI, the sectoral aspect of activity is now occurring and cross-border meetings between businesses from the same sector are increasing (Interview, CBI-NI senior official, 7.4.92).

The business confederations' activities are complemented by those of the Chambers of Commerce, North and South of the border. The Chambers' main role is to facilitate meetings and information exchange among its members. In July 1990, a meeting took place in Dungannon, Northern Ireland, of all the Chambers of Commerce in the border regions. These chambers founded the Gap of the North Association. The aims of the Gap of the North Association are to improve business contacts, to enter into discussions with state agencies and industrial

promotion bodies and to establish a strategy of business promotion in the border regions (Donovan, 1992, p. 2). Similarly, the Northern Ireland Chambers of Commerce invited the Republic's Chambers to participate in consultations with EC officials in 1991.

The Chambers of Commerce are also responsible for attempts to popularise the idea that Interreg should be extended to cover not simply the border regions in Ireland, but the whole island of Ireland. The argument put by the Chambers is that all of Ireland suffers from the problems of being peripheral to the extent that the Republic as a whole may be considered to be a border region in itself. The widening of Interreg would, of course, strengthen the potential to integrate the Northern Irish and Irish economies.

The Bus and Rail Companies

It is not only the Chambers' work which complement the Confederations' initiatives, but also the preferences of the bus and rail companies in both parts of Ireland. In 1987 Iarnród Eireann (Irish Rail) and Northern Ireland Rail commissioned a report on the merits of an improved rail system (Iarnród Eireann/NIR, 1987). Seven different options for improvement were identified and one was chosen as being the most profitable. This option advised that an upgrading of the entire route from Dublin to Belfast take place. Speed would increase to 145 kilometres per hour and journey time would fall to 1 hour and 35 minutes (currently, the journey time is approximately two hours). The number of trains would increase to nine per day on week days. Currently, there are five per day. The upgrading would require an investment of 42 million Irish pounds in the Republic and 38 million pounds in Northern Ireland. Both the Irish and UK governments have chosen this option.

Iarnród Eireann and Northern Ireland Rail cite evidence that the level of movement of people between Northern Ireland and the Republic, would be four to six times higher, but for the conflict in Northern Ireland (Iarnród Eireann/NIR, 1990, p. 6). Details of the number of Irish citizens who travel to the Republic gives some indication of the small scale of cross-border traffic. Figure 5.3 illustrates the

numbers of visitors who travelled from the Republic to Northern Ireland by rail and bus for the years 1984 to 1990. The figures are also given for overseas visits, to place these figures in perspective. It was not possible to find figures for cross-border travel by car.

Figure 5.3. Visits Abroad by Irish Residents — estimated Number of Overseas Visits (Classified by Route or Travel).

Visits Abroad	1984	1985	1986	1987	1988	1989	1990
	(Thousands)						
Total Overseas Visits	1,245	1,258	1,375	1,567	1,747	1,813	1,798
Cross-Border Visits[i]	314	292	303	257	256	272	269[ii]

i Figures for bus and rail travel only
i i Provisional figure.
Source: : CSO Statistical Release , Tourism and Travel 1990, (source adapted).

Clearly, there is scope to increase the level of cross-border travel. The decision to improve the rail link, implies that despite the conflict efforts will still be made to increase passenger numbers. This approach is reflected in the opinion of one analyst, who commented that:

> The political situation is a constraint on growth, but for the fast growers the political difficulties are far less of a constraint. Therefore, appropriate policies should be devised for a post-settlement scenario (Kinsella, 1992, p. 3).

In other words, policies should be implemented as if there was no conflict in Northern Ireland, because some firms would benefit, despite the political constraint.

The rail companies enjoy good and close relations. According to a representative of Northern Ireland Rail, the relationship "has always been excellent" (Interview, NIR senior official, 8.4.92). The railway line between Dublin and Belfast is shared, which implies that both companies serve the same customers. The sharing of the line also necessitates that safety standards are harmonised and that a joint

marketing approach exists. The revival and strengthening of the relationship dates back to 1987 when the rail improvement study was commissioned. It is noteworthy, that in attempting to win money from the EC for the railway proposal both companies offered to send a joint delegation to Brussels, but the UK and Irish governments refused the offer (Interview, NIR senior official, 8.4.92).

Similarly, the bus companies' situation has led a representative of Bus Eireann to state that: "The Ulster Bus and Bus Eireann relationship has been a model relationship" (Interview, Bus Eireann senior official, 22.3.92). There are regular meetings between the companies' chief executives. Senior officials meet roughly ten times per year. Both companies exchange drivers - Northern Irish drivers drive Bus Eireann buses and Irish drivers drive Ulster buses. Co-operation and goodwill is recorded among drivers. The Republic also buys up Northern Irish surplus buses for its school transport system.

From 1987, the Irish bus company has operated with a strong commercial bias and was given a new brief by the government from that date. The behaviour of Bus Eireann, less as a state sponsored body and more as a private company, led to an increased awareness that both Northern Ireland Rail and Iarnród Eireann were serious competitors to Bus Eireann and Ulster Bus. As a senior official observed: "Bus versus rail is the main difficulty" (Interview, Bus Eireann senior official, 22.3.92). The policy response to rail competition has meant that, since 1987, both Bus Eireann and Ulster Bus have co-operated to improve ease of transport between North and South. There are now links between all areas of the South and Northern Ireland.

Thus, there is evidence of increased cross-border co-operation in the transport and business sector. Joint lobbying at EC and national level has developed between the CBI and CII. Moreover, the rail companies offered to make a joint lobby in Brussels, but were refused. The rail companies have co-operated in lobbying at national level and a representative of NIR stated that: "In terms of transport infrastructure, the whole of Ireland is one unit" (Interview, NIR senior official, 8.4.92). Meetings between executives from both sides of the border are frequent. Overall, in the business sector there has been an upsurge of interest in the cross-border dimension, largely in response to CII and CBI-NI efforts

and to the efforts of the Chambers of Commerce and prominent business executives both North and South of the border.

Moreover, the threat of the SEM, and the provision of money for cross-border schemes by the EC, has stimulated business umbrella groups, such as the CBI-NI, to develop cross-border links. All these factors bode well for functionalist theory, where interest groups in co-operation with the EC have influenced national policy. However, there is also evidence of an absence of cross-border co-operation in the business sector.

The Absence of Cross-Border Co-operation

There are two main areas where my findings suggest limitations on the scope for cross-border co-operation. These are, the case of large firms and the more grass root level of business activity, and the case of the tourism sector.

Grass-root business behaviour/ large firms

During the course of the interviews which were conducted with economic élites, the obvious question arose as to how business groups such as the CBI-NI and the CII actually reflected the opinions and activities of grass-root business communities. Representatives of these bodies responded that they reflected industry, because it was individual firms which formed the backbone of the umbrella organisations. Yet, two prominent Northern Irish businessmen observed that there was a significant difference between the behaviour of the large firm and that of the small firm. One executive stated that: "The Republic is a small market. Its importance depends on the product range. Small companies would see it as a target area, but large companies look to Britain and elsewhere" (Interview, NITB. senior official 7.4.92). This observation implies that a proportion of the business community in Northern Ireland and possibly in the Republic would not feel obliged to increase cross-border links and, therefore, that trade and joint lobbying activities would be minimal.

To date, the evidence of studies and of trade statistics supports this proposition. Figure 5.3 details the level of cross-border trade between Northern Ireland and the Irish Republic for the period 1986 to 1991.

Figure 5.4: Cross-Border Trade Between Northern Ireland and the Irish Republic[i]

	1987	1988	1989	1990	1991[ii]
Exports from NI to the ROI	377,367	391,616	488,989	500,122	414,180
Exports from ROI to NI	618,811	757,006	776,126	816,497	648,214

Source:: Ireland in Europe: A Shared Challenge, 1992: 40.
Note i: Figures calculated in Irish pounds millions
Note ii:: Figure for the period January to October only.

For those who believe that the EC is having little effect on trade between Northern Ireland and the Irish Republic, these statistics indicate the marginal increase in cross-border trade and the very low level of that trade. Moreover, a recent report on cross-border trade written by Coopers and Lybrand, found that only 67 per cent of all firms interviewed in Northern Ireland carried out market research on the Republic. Only 20 per cent of those interviewed indicated that they would trade with the Republic in the next five years (Coopers and Lybrand, 1991, p. 10). Only 50 percent of firms listed in the IDB trade directory trade with the Republic (Bailie, 1992).

In 1990, the South exported 816 million pounds worth of goods to Northern Ireland and the North exported approximately 500 million pounds worth to the Republic. Trade comprised mainly of food products, drink, cereals, furniture, clothing and textiles. (Smyth, 1992, p. 4). From Figure 5.4, there is no doubt that trade has increased, but as the director for the CBI-NI remarked, in only four of the above categories does Northern exports constitute more than 15 per cent of total Southern imports (ibid). For example Northern Ireland's exports to the Republic

"have remained a very small proportion of the total sales of Northern Irish manufacturing industry" (Department of Finance and Personnel, 1991, p. 2).

Figure 5.5: Cross Border Trade as a Proportion of Northern Ireland's Manufacturing Total Sales

	Quarter Ending				
	30.4.90	31.7.90	31.10.90	31.01.91	31.04.91
N. Irl. Exports to ROI (% of total M. exports)[i]	6	6	9	7	6

Source: Department of Finance and Personnel, (1991), Northern Ireland's Trade With the Republic: 2
Note i: M = Manufacturing sector;.Figures represent Northern Irish exports to the Republic expressed as a percentage of total Northern Irish manufacturing exports.

However, the Confederations of Industry are optimistic that this situation is changing. In a CBI-NI survey, the main obstacles to trade were identified as being: customs delays; a varying exchange rate; an inadequate infrastructure; the existence of prejudice against a product's origin; a lack of awareness of opportunities; and, finally, a lack of will. A perception of bad debt collection from the Republic was also found to be an obstacle to cross-border trade (Smyth, 1992, pp. 4-5).

Customs delays, exchange rate variations and inadequate infrastructure can all be overcome by the EC's influence and that of interest groups. Awareness of opportunities can be increased by information campaigns. Hence the business groups interest groups are focusing on transport improvements and on information campaigns. However, prejudice, negative perception of debt collection and lack of will are different matters. Lack of will can apply to the larger firm and need not be based on any political perceptions. Prejudice is related to political factors and hinges on the point made at the beginning of this section that at a basic level politics permeates the decisions of the

business community in Northern Ireland. In trade, then, there is an impeding political constraint.

The Confederations and Chambers, as well as such bodies as Co-operation North, would argue that prejudice and lack of will are not static factors and that they can be altered. The active effort to provide information and to facilitate ease of communication lowers the cost of trade, psychologically and economically. In this way, trade increases. Thus, the director of the CII commented, with reference to the Coopers and Lybrand study, that he can nearly guarantee different and more encouraging results in two years time, should the study occur again (Interview, CII senior official, 20.3.92). He argues also that the perception of bad debts is already changing in Northern Ireland. Thus, although the statistics on cross-border trade indicate a relatively low level of such trade, the fact that trade levels have increased over the 1987-1990 period indicates that the situation is changing.

The fly in the ointment is that such logic rests on the assumption of common economic interests existing between Northern Ireland and the Irish Republic. In fact, large firms may not perceive there to be a common interest, no matter how fast trains move and how smooth roads appear. Similarly, the tourist boards behave as competitors, not co-operators.

Tourism

Tourism is an example of business activity which is marked by conflicts of interest. Bord Fáilte has exhibited a reluctance to co-operate in the tourism sector. Bord Fáilte's logic is understandable from an economic perspective (chapter four). The Republic loses visitors if its image is associated with that of Northern Ireland.

The number of tourists visiting Northern Ireland fell from 1.1 million to 400,000 in the period 1967 to 1972 (Davy, Kelleher, McCarthy, 1990, p. 23). In 1988, tourism was only 1.5 per cent of Northern Irish GDP (ibid). Whilst the NITB gains from selling Northern Ireland and the Republic as one unit to tourists because it lessens the image of violence, Bord Fáilte clearly does not, because it fears that its own 'green and

pleasant pasture' image will be tarnished by violence. As a representative of Bord Fáilte stated:

> In this country [the Republic], the IDA and Tourism spent a lot of time separating itself from a negative image. We need a clean and stable image (Interview, Bord Fáilte senior official, 31.3.92).

Moreover, the more tourists who visit Northern Ireland, the smaller the number who visit the Republic. Tourists who visit the Republic are mainly from the United States and continental Europe. They book a fixed time in Ireland and, if they decide to stay in Northern Ireland, it generally means that they shorten their stay in the Republic, rather than stay for a longer period on the island as a whole. As a representative of Bord Fáilte stated:

> You have to be a pragmatist in business. People aren't in it for the good of their health. Hotel owners work for shareholders who want their dividends (Interview, Bord Fáilte senior official, 31.3.92).

According to a Northern Irish business person:

> The biggest obstacle [to cross-border co-operation in tourism] is Bord Fáilte, not the sectarian divide (Interview, 8.4.92).

For Bord Fáilte cross-border co-operation will occur where there are sound economic interests to engage in such co-operation:

> Sustainable co-operation will take place when you leave it to the experts to do it, not to do-gooders who have no commercial risk by making claims (non-attributable interview).

Thus, if there are economic reasons for cross-border co-operation, then, "the experts" (presumably, the speaker meant Bord Fáilte) will co-operate. Bord Fáilte cites the recently launched Gulliver programme as an example of an incremental, or new policy area where there is an economic rationale for cross-border co-operation (unattributable interview). This project is a joint project between the two tourist boards and it entails a data-base for the island of Ireland. Essentially, this data base contains information about amenities and booking facilities throughout Ireland. The Gulliver project necessitated weekly meetings

between officials from both parts of Ireland. Interreg is another new policy area where an economic incentive exists for cross-border co-operation. Interreg demands that members from both tourist boards meet regularly and there are, according to Bord Fáilte, daily telephone calls at times related to Interreg schemes.

The problem with these schemes is that they are relatively small. Interreg constitutes a small proportion of total national expenditure (chapter four). One million four hundred thousand Irish pounds is allotted to Bord Fáilte out of a total Irish Structural Fund allotment of 80 million pounds (Interview, Bord failte official, 1.4.92). In 1992, four projects had been approved under the Interreg scheme (ibid) Of these projects, one is large and the remaining three projects are small (ibid). Of the 1.4 million pounds, 0.6 million is spent on joint marketing projects and 800,000 pounds is spent on capital projects (ibid).

Interreg constitutes 6 to 7 per cent of the total NITB budget, or 2.9 million pounds sterling (ibid). While this figure is not insubstantial, both tourist boards agree that the International Fund constitutes a bigger source of income. In the words of a Bord Fáilte official: "The EC's influence on cross-border developments is limited at this point" (Interview, Bord Fáilte official, 31.3.92). Similarly, a NITB executive commented that "Progress made is to do with the International Fund, not with the EC" (Interview, NITB senior official, 7.4.92). Under the International Fund, 14.5 million Irish pounds has been allocated to Bord Fáilte (Interview, Bord Failte official, 1.4.92). In this respect the tourism sector and its respective civil service department are at one. The Anglo Irish Agreement and the International Fund, established under the aegis of the AIA, appear to have influenced levels of cross-border co-operation in the tourism sector more than the EC. Thus political factors, not economic determinants, appear to have caused the limited co-operation that exists.

There is some evidence, therfore, of increased cross-border co-operation in some sectors of business activity, but such co-operation is absent in the tourism sector.

Agricultural Cross-Border Co-operation

The threshold of agricultural cross-border co-operation begins at a lower level than in that of the business sector. For example, until 1991, neither of the current presidents of the two unions had met, despite membership in the EC agricultural union, COPA (Interview, Co-operation North senior official, 6.4.92). A former president of the IFA recalls his impression of the UFU as an essentially bigoted organisation. In 1984, for example when the aforementioned Irish president wrote a speech to be delivered in Belfast on the need for economic co-operation, the UFU took offence and, according to the former president, allowed him only one minute to speak (Interview, IFA former president, 15.4.92). This event serves to illustrate the sensitivity of unionist citizens to the idea of economic cross-border co-operation. However, this sensitivity has been most marked in the agriculture sector, as opposed to the industrial sector.

Similarly, a current senior official in the IFA recalls that, in the early 1980s, a proposal was made that, as a favour to the North, the green pounds in the two jurisdictions would be harmonised. This harmonisation would have meant that rather than suffering from a UK policy which protected the consumer but lowered farm incomes, Northern Irish agriculture would benefit from the Republic's policy which favoured agricultural producers. The proposal was opposed by the UFU, because its members claimed that such policy harmonisation weakened the Irish border, whilst it imposed a new border between Northern Ireland and Great Britain (Interview, IFA senior official, 1.4.92).

The UFU's response bears a strong relationship to its historical background. At many times in the Stormount régime's history, leaders of the UFU were often members of the UU:

> The UFU gained access and legitimacy through its attachment to the Ulster Unionist Party rather than its ability to represent farmers (Greer, 1992, p. 17).

Thus, political constraints have traditionally impeded agricultural cross-border co-operation to a marked degree. Moreover, the opportunities for agricultural co-operation are more limited in range, than those for business co-operation. Given the similarity in agricultural structure in

both parts of Ireland, the scope for increased cross-border trade is limited. Thus, the need to improve infrastructural facilities to encourage such trade may be less emphasised by farmers on both sides of the border. Despite these possible limitations to cross-border agricultural co-operation, some interviewees did believe that there was evidence that cross-border co-operation in agriculture had increased because of the EC.

Evidence of Agricultural Cross-Border Co-operation

Co-operation North is a main advocate of the view that the agricultural relationship is changing in the aftermath of EC policy change (Interview, Co-operation North senior official, 6.4.92). The launch of a Co-operation North report on farm incomes in Northern Ireland is widely cited as an example of increased co-operation. This report examined farm incomes on both sides of the border and was done in collaboration with the IFA and the UFU. Moreover, co-operation has always been close between Northern Ireland and the Irish Republic in matters of animal health. However, this co-operation dates back to pre-EC membership days. Thus, it cannot be taken as evidence of novel EC influence in the 1989-1993 period. Similarly, before the 1989-1993 period, there was evidence of limited co-operation within the EC. In the pre-1988 period, under EC rules, special agricultural measures applied to the Republic to take account of its high dependence on agriculture. Some of these measures were extended to Northern Ireland at the request of Northern Irish agricultural interests. For example, in the Republic premiums were paid on ewes by the EC, whereas, in the UK premiums were paid on lambs. The UFU supported successfully the application of the Irish system to Northern Ireland (Interview, Irish Livestock and Meat Board senior official 6.4.92). However, the above example of green rate harmonisation demonstrates the limits of this approach. Such cases of policy extension are rare.

Cross-border trade does occur along the border areas. A major incentive for trade is that, under EC rules, milk cannot be sold from Northern Ireland to Great Britain. However, it can be exported from the Republic to the UK, because such exports would constitute inter-state trade encouraged by the EC administration (Interview, Bord Bainne

senior official, 27.3.92). Hence, there is a degree of exporting from one side of the border to the other and this trade terminates in Britain.

Another example of co-operation is that of factory owners in the food processing sector buying factories across the border (Interview, Irish Livestock and Meat Board senior official, 6.4.92). In particular, meat processing firms from the Republic have bought plants in Northern Ireland. For example, the Goodman Group owned factories on both sides of the border, as do approximately four other large firms — Kerry Foods, Tara Meats, Avonmore Foods and Master Pork. Moreover, the recent sale of United Meat Packers (UMP) resulted in a joint venture, whereby two companies North and South of the border bought the plant.

Technically, however, this type of cross-border co-operation, involving the food processing industries, actually falls into the business sector category. The farmers' unions are more concerned with the livelihood of the farming community than with that of food processing factory workers. Moreover, factory owners fall into the 'employers' category of the ESC structure, not the 'miscellaneous' category which covers agriculture (Kirchner and Schwaiger, 1981, pp. 63-66). Thus, much of the evidence used to argue that agricultural cross-border co-operation has increased can be refuted or must be qualified. No interviewee from the farming sector perceived that the agricultural cross-border relationship was changing, either because of EC influence or for any other reason.

The Absence of Agricultural Cross-Border Co-operation

The tone is set by the comment from a Teagasc senior official, that: "The EC hasn't helped to a large degree in collaboration" (Interview, Teagasc senior official, 15.4.92). Similarly, a representative from Bord Bainne commented that "Basically we're [Northern Irish and Irish dairying] competitors" (Interview, Bord Bainne senior official, 27.3.92). The main source of competition in milk and milk products is the German market. In a case cited by a Bord Bainne official, the Northern Irish Milk Marketing Board (MMB) promoted its butter in Germany by calling it Irish Gold. The potential damage to the Republic's export revenue led Bord Bainne successfully to sue the MMB. The basis for the legal action

was that the Northern Irish butter was British not Irish (Interview, Bord bainne senior official, 27.3.92). Another example of an absence of co-operation in the dairying industry is the low level of trade between the two areas. For example, one of the Republic's largest dairy exports, Kerrygold butter, is not sold at all in Northern Ireland.

Similarly, in the livestock and meat market, Northern Irish and Irish agricultural actors are rivals

> Both parts are competing for a large market ... We have to plough our own furrow, just as they have to plough theirs (Interview, Irish Livestock and Meat Board senior official, 6.4.92).

The trade statistics in general do not bode well for advocates of co-operation. Figure 5.6 presents the trade statistics for Northern Ireland and the Irish Republic.

Figure 5.6: Irish Imports from and Exports to Northern Ireland, 1987-1990

	1987	1988	1989	1990
Imports	105,461	114,183	158,189	134,269
Exports	242,884	257,343	228,312	257,924

Source: ; Gray, 1992, p. 40 and CSO.

The figures in this stable can be interpreted either positively or negatively. There is an overall increase in trade, comparing the 1987 to the 1990 figures, of 43,848 thousand pounds. However, more negatively, across the period 1987 to 1990, there is not a consistent trend of increasing cross-border trade. Thus, imports rose in 1988 and in 1989, but fell in 1990 below their 1989 level. Similarly, exports rose in 1987 and in 1988, but fell in 1989, before rising again in 1990. Moreover, the actual level of trade is low, regardless of whether there has been an increase. Thus, statistics on cross-border trade in agriculture do not offer evidence of substantial cross-border co-operation existing in agricultural trade.

Similarly, there is no evidence of any attempt at joint lobbying, either at the level of the national government, or the EC. As regards the

CAP reform, a representative of the UFU observed that "Both governments regard [the proposals] as discriminatory" (Interview, UFU senior official, 8.4.92). Hence, according to this UFU representative, there is no need to devise a joint lobbying strategy with the IFA, because the traditional channel of lobbying Northern Irish Ministers, who in turn lobby in London, is adequate. The UFU argument is that, because the UK is not happy with the MacSharry proposals, Northern Ireland has no difficulty in making its voice heard in London. Similarly, the National Farmer's Union (NFU), which represents the farming interests of the UK as a whole including Northern Ireland, is opposed to the MacSharry proposals. Thus, the rhetorical question posed by the UFU would be "why should the UFU turn to the Republic for support when it already has well established and satisfactory British channels of influence?" This argument will be discussed in the concluding section below.

Finally, the farmers' unions do not perceive that the EC, or International Fund for Ireland (IFI) rural development programmes are significant. Again, it is clear that the amount of money provided for these programmes is perceived to be very small and not large enough to make a difference to the agricultural cross-border relationship. Thus, while a representative of the IFA observed that the UFU was very positive towards cross-border developments, he himself considered that "it was a bit early on" to be able to judge their influence (Interview, IFA senior official, 3.4.92). Similarly, a UFU senior official stated more decisively:

> I don't think that any of [the programmes] are very important (Interview, UFU senior official, 8.4.92).

According to this view there are four main difficulties in the operation of both the EC and the IFI schemes.(Interview, UFU senior official, 8.4.92). First, there is not enough money for the cross-border schemes. Second, very little progress has been made because, whilst all of Northern Ireland apart from Belfast can avail of money under the schemes, only the border counties in the Republic are included. According to the UFU representative, it is difficult to draw up a broad and effective list of projects within such a narrow geographical space. Third, farmers are mainly interested in maintaining or increasing farm

incomes, rural development is a peripheral concern to them. The fourth problem identified by this UFU representative is that, under the International Fund decision making process, there is no access for interest groups to lobby the actors. The discussions held by the IFI involve a very small number of civil servants and ministers. The unions are not represented. Hence, it would be pointless for interest groups to co-operate to influence the process.

Overall, then, there is little evidence that the EC has affected the cross-border relationship in agriculture. Yet, in contrast, there is evidence of change in their business cross-border relationship.

iv. Conclusion: Economic Elites and Cross-Border Co-operation

The results of these case studies are confusing at one level, because there are differences in levels of co-operation, not just between sectors, but within sectors. Hence, there is little evidence of co-operation increasing in agriculture as a whole, but, within industry, co-operation levels do seem to be increasing, but in certain sections. Notably, in tourism there is less evidence of co-operation.

On another level, the findings are not confusing. Where common interests exist there is co-operation, but where competition dominates to the exclusion of common interests, rivalry without co-operation occurs. The problem with this analysis is that it assumes that there is less need for agricultural interest groups to co-operate than there is for the business unions. While it cannot be denied that there is a greater range of opportunities to co-operate in the business sector, there is the obvious question as to why, for example, farmers' unions have not availed of the opportunities that do exist. In short, why has more joint lobbying not occurred at European level?

There are two possible answers. The first is that there is still no need to avail of existing opportunities. Given the existence of COPA and of the UK National Farmers' Union, it may well be the case that there is no need to lobby in alliance with the IFA. The IFA and the UFU can form a stronger voice by co-operating with all farmers' groups in COPA and the UFU has the voice of the NFA. However, why then should the two business confederations co-operate together by lobbying jointly? The

CBI-NI too has the CBI and the EC European employers' union (UNICE) to rely upon.

The important fact in all of this is that the areas of co-operation in the business sector all spillover to each other. For example, because the development of trade between Northern Ireland and the Irish Republic is a priority for the CII and the CBI-NI, then not only trade co-operation, but also transport co-operation occurs. Improved transport infrastructure is needed to lower the costs of cross-border trade for producers. Because transport co-operation is needed to develop trade, then joint lobbying for transport co-operation is perceived to be necessary by the confederations.

In contrast, in the agricultural sphere, maintaining farm income, (hence, opposing the MacSharry reform proposals), is the desired end, not developing trade within Ireland. The absence of trade emphasis can be partly explained by the similarity in agricultural structure on both sides of the border. Thus, agricultural and business aims are very different in that business aims are more dynamic, whereas agricultural aims are more reactive. The latter do not spillover to other activities, but are geared towards a specific and narrowly defined target. In this context, the awareness of the benefits of developing agricultural cross-border co-operation is curtailed.

However, given the peripherality of Northern Irish agricultural interests within the larger UK framework, it is still difficult to explain why the Republic is not engaged as an ally in the attempt to maintain the CAP price support system. For example, civil servants who were interviewed in Whitehall betrayed a distance between themselves and Northern Ireland. One civil servant, when asked about the role of the Northern Irish civil servants, commented that they "Sat, watched and generally got in the way" (unattributable interview). Similarly, a former head of the IFA recalled that at the meetings of COPA the Scottish, Welsh and English unions would share jokes among themselves, often ignoring the UFU completely (Interview, ex- IFA official, 15.4.92). This peripherality from the decision-making process in Whitehall implies that there is a theoretical incentive for the UFU to avail of opportunities to co-operate with the Republic.

The second possible reason for an absence of agricultural co-operation is that the agricultural sector has a short sighted attitude towards policy-making. In other words, the agricultural sector does not plan ahead, but the business sector, in contrast, emphasises strategic and long-term planning. Recall the observation that a farmer has a horizon of 15 metres (chapter three). The reason for these different perspectives may lie in the specific nature of business versus agricultural activity. Agriculture in Ireland has traditionally been conservative. For example, text books describe the difficulty in encouraging the farming community in the Republic to adopt modern farming methods. Similarly, it has been observed that:

> Ulster farmers were sceptical about the benefits of expenditure on education, research and marketing. It was largely because farmers were reluctant to adopt new methods voluntarily that the Ministry became convinced of the need for state direction and regulation (Greer, 1992, p. 7).

This conservatism implies myopia and an aversion to change. The high dependence of farming on external conditions, that is, on particular weather conditions and the plight of small farmers in making a living, makes such conservatism understandable.

Moreover, even when farmers have altered their behaviour and have made greater use of modern methods, the resultant increase in output has been bought up at a guaranteed price by the EC. It is arguable that the subsidisation of agriculture does not encourage long-term, or dynamic thinking, because, as long as aid existed, farming interests had less need to devise plans for survival in a harsh economic climate.

The question of whether or not the UFU's political stance may impede cross-border agricultural co-operation has not yet been addressed. There is clearly a variety of factors which explain the difference between the business and agricultural sectors. It is difficult to state definitively that the UFU's historical unionist tradition continues to influence its present behaviour. This difficulty arises from the fact that IFA has not approached the UFU to co-operate recently and each union's representatives have spoken purely in economic terms. To derive political preferences from these economic comments would open the

interviewer to accusations of a biased interpretation. Moreover, no current member of the IFA observed sectarianism within the UFU. Therefore, speculation that the political stance of the UFU affects its relationship with the IFA can only remain speculation. However, the cases cited where political preference did dictate UFU decision outcomes are quite recent — for example, the 1984 case described above. So it is possible that politics is a factor in influencing the UFU's approach to co-operation with the IFA.

Either way, the findings of agriculture do not bode well for neo-functionalist theory. Despite the existence of opportunities for co-operation, such co-operation is not occurring. In contrast, the results of this chapter are more encouraging in the business sector. The rail link case study is an example of an area where business co-operation has influenced governmental cross-border co-operation. However, there is a need for more co-operative ventures in the tourism sector. The Confederations of Industry would argue that, even in two years, there will be more co-operative activities and, indeed, there is a general impression among many business people who were interviewed that a momentum is building in favour of increased cross-border co-operation. Thus, this examination of economic élites provides a mixture of evidence about the EC's effect on the Irish/Northern Irish cross-border relationship.

Chapter Six

Political Parties and Cross-border Co-operation i: The European Parliament

Introduction

Interviews with economic élites in Northern Ireland and the Irish Republic revealed that many of these groups perceived there to be common interests between Northern Ireland and the Republic and that these interests have been caused by EC policy. They also revealed the desire of these groups to act on the basis of economic logic and to engage in cross-border co-operation.

The question addressed in this chapter and the next is how have the *political* parties in Northern Ireland and the Irish Republic reacted to EC policies which have upgraded their common *economic* interests? Whereas previous chapters have been concerned with cross-border co-operation between economic and administrative élites, in this chapter and in the next chapter, I examine the EC's effect on co-operation between political actors.

The focus of my examination of Irish and Northern Irish MEP behaviour is on whether partisan linkage politics characterises the parties' approach to the EC. 'Partisan linkage' refers to the argument that "European issues can be manipulated to serve partisan ends, even where the origins of domestic conflict have nothing to do with the Community" (Hainsworth, 1979, p. 470). According to the partisan linkage argument, reactions to the EC and to cross-border co-operation should conform closely to unionist and nationalist party ideologies. This argument begs the question of whether MEPs convey a different attitude to the EC than that traditionally adopted by their parties. This possibility is the core concern of this chapter.

The aim of this examination of cross-border co-operation between MEPs in the EP is not to determine the *EP*'s effect on cross-border co-operation. Rather, the focus of this chapter, as previous chapters, is the effect of EC policy change on Irish/Northern Irish cross-border co-operation. The actors examined in this case are MEPs, but the EP's significance is that it may *facilitate* cross-border co-operation between different party representatives. The theme remains that it is EC *policy* which may *cause* such co-operation.

Thus, I am interested in how MEPs are reacting to the reform of the CAP, to EC regional policy reform and to the creation of the SEM within the EP. In order to determine MEP behaviour, interviews were conducted with Irish and Northern Irish MEPs and/or with their EC

advisors.[1] Apart from interview material, I have relied heavily upon MEP speeches and interventions during EP plenary debates.

Co-operation between political actors on economic matters within political institutions is assumed to be a form of economic co-operation, as opposed to constituting political co-operation. For neo-functionalists, the existence of common economic interests between Northern Ireland and the Republic of Ireland should eventually spill over to economic co-operation and, indeed, should cause deeper agreement on the need for shared institutions to administer cross-border schemes, that is on the need for political co-operation. In this chapter, I examine the effect of the EC on economic and political co-operation between Irish and Northern Irish Members of the European Parliament (MEPs).

The EP is studied in this thesis because leaders of the DUP, the UUP, the SDLP and the Irish parties are all members of that institution. Given the importance of the SEM, the CAP reform and EC regional policy to Northern Ireland and the Republic of Ireland, the EP should be an ideal forum for cross-border co-operation. At the national level, in Westminster or the Dáil, members of parliament concern themselves with a wide array of domestic and foreign policy concerns, whereas, in the EP, attention is concentrated upon the very policies which upgrade interests between Northern Ireland and the Republic: for example, the creation of the SEM.

Moreover, as I show in the next section, the EP's role in the EC's decision-making process is not insignificant. Thus, it is a worthwhile forum of activity. MEPs from Northern Ireland and the Republic can move away from discussing the political conflict in Northern Ireland to discussing EC policy. They can make their fears and hopes known to other European politicians in the EP, to the Commission and to the Council. The possibility is that the EP lifts Northern Irish/Irish political parties out of their conflictual setting and increases cross-border co-operation.

The behaviour of MPs and TDs in Westminster and in Dáil Eireann is not examined in this chapter. The reason for this omission is that MPs and TDs do not have the same scope to co-operate with each other within their national parliaments as in the EP and local councils.

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[1] Sinn Féin politicians are not examined in this chapter, because Sinn Féin is not represented in the EP.

Apart from the qualitative difference between the work done in national parliaments and that undertaken in the EP and local government, Whitehall and the Dáil are obviously separate from each other politically and geographically. The assumption is that the EC's effect on the behaviour of MPs and TDs in Westminster and the Dáil is unlikely to be great and thus will not be examined here. Similarly, the Anglo-Irish Parliamentary body, established in 1989 is not examined here.

The chapter begins with a description of the EP's role in the EC's decision-making process. This description is followed by an examination of the main parties in Northern Ireland and the Republic of Ireland and of their attitudes to the EC. Section three examines the effect of the European Community on the behaviour of Irish and Northern Irish MEPs in the EP and the extent to which this behaviour conforms with the traditional approach of each party to the EC and to co-operation.

In conclusion, I argue that there is evidence of limited MEP cross-border co-operation. However, there is little tangible evidence of any substantial political cross-border co-operation among Irish and Northern Irish MEPs. Despite the apparently limited effect of the EC on political cross-border co-operation, on a different practical level there is a cross-cutting consensus among all political parties which offers practical support to EC regional policy. The EC's policy initiatives of the 1980s have provided incentives for this practical support.

i. The Role of the EP in the EC's Decision-Making Process

It is essential to place the discussion of the EP in context by examining the role of the EP in the EC's decision-making process. The fact that the EP is a vibrant institution, although weaker than the Commission and the Council, increases the possibility that Irish and MEPs will be active participants in the EP and that they will face many opportunities for cross-border co-operation.

MEPs are members of the EP's different political groups and also of EP committees. Many MEPs also hold seats in their national parliaments. The theoretical role of the EP is not very different from that of a national assembly. The EP should legitimate the EC and, as such, it should provide support for the work of the Commission. The

EP should represent the citizens of Europe. The EP groups are meant to resemble national political parties. These groups are detailed in Figure 6.1

Each EP group aims to vote *en bloc* for or against a given proposal at the EP's plenary sessions. The EP arena is significantly different from that of the Dáil or Westminster. It follows a continental European system, in contrast to the Westminster model. As such, the EP is less adversarial than the Irish and UK parliaments. An obvious difference between the EP and national parliaments is that, given the different national interests represented by individual MEPs, it is often difficult to obtain group discipline when casting votes (Nugent, 1989, p. 129). Moreover, given that EP activity is not preoccupied with driving out an opposition government or protecting an existing government, EP group discipline is more difficult to sustain than that of party discipline within a national parliament. Attendance at plenaries is poor, leading one commentator to observe that: "The EP in plenary does not, it should be said give the impression of being the most dynamic of places" (Nugent, 1989, p. 140).

Figure 6.1: Groups of the EP (number of Irish and Northern Irish members in brackets)

EP group	Irish and Northern Irish members
Socialists	Irish Labour Party (1), SDLP (1)
European Peoples Party	Fine Gael (4), UUP (1)
Liberal Democratic and Reformist Group	Progressive Democrats (1), Independent (Irl.) (1)
Group of the European Left	Democratic Left[2] (Irl.) (1)
Greens	0
Group of the European Democratic Alliance	Fianna Fáil (6)
Rainbow Group	Independent (Irl.) (1)
Technical Group of the European Right	0
Left Unity Group	0
Non-attached Members	DUP (1)

Source : Jacobs , Corbett and Shackleton, 1992, pp. 60-77, (adapted).

The detailed work of the EP is carried out in the 18 EP committees which cover various areas of EC activity (See Figure 6.2).

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[2] Democratic Left is the rump of the IrishWorkers Party which divided in the aftermath of the fall of the Berlin Wall.

Each committee has a chairperson who presides over committee work and represents the committee at plenary. Committee co-ordinators act as spokespeople for their political groups. Each co-ordinator makes sure that all member of his/her political group attend committee meetings and act in accordance with their group's wishes at committees.

The practical role of the EP differs from its theoretical role. In practice, the Treaty of Rome conferred very limited powers on the EP (Coombes, 1979). Like the ESC the EP could lobby the Commission and could advise it, but it could not enforce its will upon the Commission. Unlike the Commission, the EP had no formal initiating powers. Until 1979, the EP was not even directly elected by the citizens of Europe. Even after the introduction of direct elections in 1979, its powers were so limited as to make its representative role appear puerile. Consequently, the transfer of legitimacy by national actors to a supranational institution forecast by neo-functionalists, was not apparent.

Figure 6.2: Permanent Committees of the EP

Agriculture, Fisheries and Rural Development Budgets
Budgetary Control
Civil Liberties and Internal affairs
Culture, Youth, Education and the Media
Development and Co-operation
Economic and Monetary Affairs and Industrial Policy
Energy, Research and Technology
Environment, Public Health and Consumer Protection
External Economic Relations
Foreign Affairs and Security
Institutional affairs
Legal Affairs and Citizens Rights
Petitions
Regional Policy, Regional Planning and Relations with Regional and Legal Authorities
Rules of Procedure, Verification of Credentials and Immunities
Social Affairs, Employment and the Working Environment
Transport and Tourism
Womens Rights

Source: Jacobs, Corbett and Shackleton, 1992, pp. 101-102

The Commission and the Council of Ministers form the nexus of power in the EC's decision-making process (chapter three). The

Council's power vis-à-vis the Commission is not matched by any other EC institution. However, there are sources of limited EP power. The 1970 and 1975 Budget Treaties gave the EP power to reject the budget of the EC for what was called non-compulsory expenditure. Compulsory expenditure refers to expenditure which the Community is legally obliged to undertake, for example, the price support system of the CAP. Non-compulsory expenditure refers to that which is dependent on the Commission's discretion. The EP gradually expanded the definition of non-compulsory expenditure, so that, in 1992, 40 per cent of all expenditure fell into the non-compulsory category (Jacobs, Corbett and Shackleton, 1992, p. 214).

Another source of EP power is that the Commission is obliged to consult with the EP before it makes a formal policy proposal. Under Article 49 of the Rome Treaty, the Commission is allowed to amend proposals after it has submitted them for Council discussion, as long as the Council has not yet taken an opinion on them. The EP has made the most of this power, so as to extend its implications. For example, in 1981, the EP took advantage of Article 149 of the Rome Treaty, to persuade the Commission to amend certain proposals on isoglucose before the Council had reached a final decision (Lodge, 1983, p. 31).

Moreover, under the terms of the SEA, the consultation procedure was strengthened in certain policy areas to become what is known as the 'co-operation procedure'. This new 'co-operation procedure' laid down that, in all matters relating to the establishment of the SEM, the EP would be given a second reading of a bill *after* the Council of Ministers had given its opinion. It was argued that in practice the Council would be reluctant to reject EP amendments at this stage, because the Council would wish to ensure the speedy passage of the bill. Consequently "by providing for EP and Council second readings, and by making it difficult — though by no means impossible — for the Council to ignore a majority Parliamentary view, the co-operation procedure increases the potential influence of the EP" (Nugent, 1989, p. 248).

The co-operation procedure was widened under the Maastricht Treaty. The co-decision procedure which is introduced in the Maastricht Treaty provides for a conciliation committee made up of representatives of the EP and the Council. If the Council does not accept EP amendments, the relevant proposed text is referred to the

conciliation committee. The EP has the right to reject a text after three months of attempted compromise, if a simple majority of its members are in favour of rejection.

Thus, the EP, although a weak actor in the EC institutional framework, is not entirely impotent. Its role in the EC's decision making process:

> has increased from having initially no role whatsoever to play to having a consultative role ... to powers that are more than consultative in certain areas, even reaching to the level of co-decision with Council (Corbett and Shackleton, 1992, pp. 202-203).

The EP, although it is weaker than the Commission and the Council, is a significant institution. Theoretically at least, it should be an ideal forum for cross-border co-operation between Irish and Northern Irish political parties. The ideologies of these parties will now be described.

ii. The Irish and Northern Irish Political Parties

Northern Irish Parties

The Unionist Parties: The DUP and the UUP

The Northern Irish political environment is distinguished by a number of obvious factors "There can be little question that its party system and its relationship to paramilitarism reflects the harsh and unstable political environment in which it operates" (Arthur and Jeffrey, 1988, p. 61). The question of Northern Ireland's constitutional status, of its right to remain within the United Kingdom, or its right to become part of the Republic of Ireland dominates the behaviour and rhetoric of the different parties.

Thus, traditional unionism seeks to ensure that Northern Ireland remains within the United Kingdom and asserts that the Irish state is responsible for the existence of conflict in Northern Ireland (O'Leary and McGarry, 1994, forthcoming). The Irish constitutional claim that Ireland consists of the island of Ireland, that is of the 32 counties, is repugnant to unionists and fuels their argument that the behaviour of the Irish state encourages nationalist paramilitaries to continue their campaign of violence. The alleged reason for such Irish behaviour is

that bearing a nationalist banner serves party leaders well in gaining electoral success in the Republic.

There are divisions within the unionist camp. Traditional unionism is but one form of unionism. O'Leary and McGarry describe revisionist unionism as those unionists who hold that the British government is responsible for the conflict, because of its lacklustre approach to Northern Ireland and lack of commitment to Northern Ireland's British status (O'Leary and McGarry, 1994, forthcoming). There is also a division between unionists devolutionists who favour devolved self government in Northern Ireland and integrationists who wish to ensure that Northern Ireland be integrated into the United Kingdom and be treated like any region of the United Kingdom. In the former camp, there is a variety of preferred forms of devolution ranging from majority rule to power sharing with nationalists.

The divisions within unionism became increasingly apparent in the aftermath of the outbreak of conflict, that is from 1969 onwards. Faced with British attempts to reform the system, the unionist movement was divided in opinion as to what its appropriate response should be. In broad terms, the division was between the more hardline and extreme strand within the Ulster Unionist Party (UUP) and the more moderate strand. Broadly speaking, the Alliance Party, formed in 1970, represents the more moderate strand of unionism; the DUP represents the most extreme strand; and the UUP rests in between both parties, but tends towards the DUP and battles with the DUP to win unionist votes.

The extremism of the DUP threatens UUP support and has contributed to attempts by each party to out-do each other in a policy of 'no surrender' to Anglo-Irish initiatives. Despite this competition, the two parties joined forces against the Anglo-Irish Agreement and produced a joint policy document "An End To The Drift" in 1987. The coalescence of policy is also evident in both parties' approach to the European Community (see below). As the next section shows, although unionism is factionalised, Sinn Féin and the SDLP have been even more divided in their approach to the conflict in Northern Ireland.

The Nationalist Parties: The SDLP and Sinn Féin

The obvious and encompassing feature of nationalism in Northern Ireland is that nationalists want a united Ireland. Beyond that feature, there is deep division over what constitutes the cause of the conflict in Northern Ireland. An additional question is that of participation in a united Ireland — who would be a part of a united Ireland? Would Ulster Protestants be included? The means to achieve the aim of a 32 county Irish state and the length of time needed to do so are also causes of dissension within nationalist ranks. Thus, there is a distinction between so-called traditional nationalism and revisionist nationalism (O'Leary and McGarry, 1994, forthcoming). Each school differs in its approach to the above themes.

The *traditional nationalist* argument is that the conflict in Northern Ireland is symptomatic of a deep-rooted problem in Northern Ireland and is caused by the behaviour of the British state. The British presence and partition are the cause of the conflict and only when the British presence withdraws from Northern Ireland and Ireland is unified will there be peace. Step by step actions by the British government are simply a British response to IRA violence. Such actions do not signify any real commitment to resolving the problem in Northern Ireland, as defined by traditional nationalists. A key distinguishing mark in the rhetoric of traditional nationalists is that any step by step approach, regardless of its motivation, is perceived to be too slow and that a united Ireland is attainable in the very near future, if the British government is willing to deliver it (O'Leary and McGarry, 1994, forthcoming). Consent is not a necessary condition for the achievement of a united Ireland in the traditional school of thought. Protestant permission to attain unification is not necessary. Consequently, traditional nationalism in Northern Ireland legitimates the right to use force to achieve the aim of Irish unity.

The Sinn Féin party is best described as a hybrid of traditional nationalism and socialism. It is commonly perceived to be the political wing of the IRA, although recently the party has detached itself more from the IRA's activities.[3] Sinn Féin was banned until 1974. In that year, it was legalised. The British aimed to encourage paramilitary

[3] In the 1992 general election campaign, the Sinn Féin leader, Gerry Adams, appeared to separate his party from IRA atrocities, although he maintained that every citizen had the right to take up arms.

supporters to relinquish arms in favour of constitutional politics.[4] As it turned out, Sinn Féin leaders did not believe that violent and constitutional politics hade to be mutually exclusive activities. In their heady days of the early 1980s, when the H-Block hunger strikers increased Sinn Féin's support, the policy of the ballot box and the armalite was announced by Danny Morrison at the Sinn Féin Ard-Fheis (annual conference) with the chilling explanation that "while not everyone can plant a bomb, everyone can plant a vote" (Arthur and Jeffrey, 1988, p. 40).

In the 1993 local elections, Sinn Féin increased its vote share. However, support for Sinn Féin has generally waned since 1983, despite its self-confident entrance into the constitutional arena. It is this factor, combined, perhaps, with the party's exclusion from the Anglo-Irish all party talks, which has produced an alteration in Sinn Féin's policy towards the use of violence in the early 1990s

Revisionist nationalists, in contrast, foresee a long journey to unity, marked by the attempt to reconcile the different traditions on the island of Ireland. Revisionist nationalism emphasises that a united Ireland can emerge only with the consent of the majority in Northern Ireland and, thus, Ulster Protestants can be part of the united Ireland if they so wish.

Revisionism takes account of the internal dynamics of the conflict in Northern Ireland and the relationship between the two communities within Northern Ireland, as opposed to paying exclusive attention to the role of the British state. This emphasis on consent necessitates the longer time frame envisaged for attaining a united Ireland, because the alteration of Protestant perception and the development of trust is a gradual process.

Time is also a factor in explaining the different attitude to the use of violence between Northern Irish nationalist groups. The emphasis upon the immediacy of attaining a united Ireland favours the use of violence to achieve that aim. Violence pressurises government, it is speedy in its immediate effect and, as stated above, traditionalists in Northern Ireland argue that Britain responds only to the threat and

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[4] It must be noted that, although Sinn Féin is treated here as a Northern Irish party, it has its headquarters in Dublin and has representatives in both Donegal and Dundalk in the Republic. However, its main support base is in Northern Ireland and, consequently, it is best treated as a Northern Irish party in this chapter.

incidence of the 'armed struggle'. In contrast, revisionists reject the use of violence.

These arguments, which emphasise the consent of the unionist majority, form the plank of *SDLP* policy and distinguish the SDLP from Sinn Féin. The SDLP, like the DUP, was formed in the aftermath of the civil rights protests by Ivan Cooper, Austin Currie, Gerry Fitt, Paddy Devlin and John Hume. From its inception, it was a nationalist party with a difference, for it agreed to participate in the institutions of the state. The SDLP recognised the existence of a separate Northern Irish and UK state and agreed to work within it.

In 1981, the H-Block hunger strikes led to a partial ground swell of opinion in support of Sinn Féin. By 1983, support for the SDLP had not changed drastically from its 1981 trough, a fact which implied that the SDLP's weakness was a function of more than simply the H-Block hunger strikes. There were two main explanations for SDLP weakness (Rolston, 1987, pp. 60-61). The first was the domination by unionists of local councils. The second explanation was that it was associated more with the middle class Catholic community, whereas Sinn Féin drew support from working class Catholics.

Under John Hume's leadership, the SDLP turned to the parties in the Republic for support in the attempt to fight off the Sinn Féin threat. It was a strategy that succeeded and the 1980s saw the development of the SDLP-Irish axis which has placed the SDLP at the forefront of the Anglo-Irish process (see p. 56). The divisions which rack the Northern Irish parties are not as evident in Fianna Fáil's and Fine Gael's Northern Irish policy as the next section will show.

The Irish political parties

The roots of the Irish party system lie in the rift which emerged over the signing of the Anglo-Irish Treaty which partitioned the island in 1921. The pro-and anti-Treaty factions are the ancestors of Fine Gael and Fianna Fáil respectively and are infamous in their effect of dampening the development of a left-right cleavage in the party system, until the 1980s.

Fianna Fáil traditionally has been more Republican in its rhetoric and has been conscious of its more republican supporters. Thus, in

1985, the then (opposition) Fianna Fáil leader, C. J. Haughey, condemned the signing of the Anglo-Irish Agreement (AIA), ostensibly because the party claimed that the Agreement accepted the current constitutional status of Northern Ireland and, therefore, undermined the Irish constitutional claim to Northern Ireland.

However, since 1985, the differences which separate the two parties with respect to Northern Ireland are much less visible. Fianna Fáil performed a U-turn with respect to the Agreement and the government has been a supporter of the Agreement's operation. Both parties' leadership uphold the principle of unity by majority consent and both are committed to the Agreement's devolutionist aim.

The main difference that does exist between the two parties relates to the desirability of constitutional change, to encourage Protestants into what they perceive to be an essentially Catholic state. Fianna Fáil traditionally has been less in favour of such change, whilst Fine Gael has supported it, particularly under the leadership of Dr. Garret Fitzgerald.

Differences between the two parties in the economic policy domain are not as marked as in other European democracies. Traditionally, Fine Gael support came from urban business communities and large-scale farmers. Fianna Fáil was associated more with poorer sections of the community, in particular with small-scale farmers. Thus, Fianna Fáil's 1948 manifesto "was welfarist rather than Republican" (Mair, 1987, p. 28). However, both parties emphasised that they represented the interests of the whole population (Mair, 1987, p. 26) and became catch-all in their policy.

The current party system is changing in that the social support bases of the main parties is altering. Two developments are of particular importance: the founding of the Progressive Democrats (PDs) (1987) and the increased strength of the Irish Labour Party. The PDs were founded in 1987 with the aim of breaking a mould in Irish politics and attracting the growing number of young disenchanted voters. It quickly became associated with the more affluent middle class and after a "glorious" birth, its electoral success waned. For example, in the 1989 election it won only 5.5 per cent of first preference votes, that is 6.4 per cent less than in the 1987 election. In the 1992 election, although increasing its number of seats by 4, its share of first preference votes fell by 0.8 per cent on the 1989 election result.

The Irish Labour Party made great gains in the 1992 general election, winning 33 seats in the Dáil (a gain of 18 seats) and entering into coalition government with Fianna Fáil. This increased strength was no flash in the pan. In the 1989 election, for example, it was noted that the Labour Party had increased its vote share in the urban areas of the Republic, particularly Dublin. (O'Leary and McGarry, 1990, p. 133).

Despite Labour's strength and the establishment of the PDs, I do not examine representatives of these parties in this thesis. The reason for this omission is that Labour is still relatively weak in the rural border areas of the Republic. These are the constituencies which I focus upon in this chapter and the next. Similarly, the PDs are not strong in these areas.

In general, there is far more of a consensus of opinion on Northern Irish policy between all the main Irish parties than between the Northern Irish parties. The divisions which rack the Northern Irish parties are much less dominant in Fianna Fáil and Fine Gael politics. For this reason, the discussion of Fianna Fáil and Fine Gael is shorter than the above discussion of the Northern Irish parties. Similarly, the significance of EC cross-border initiatives is not subsumed under part of a wider nationalist/unionist debate. The EC's place in party ideology will now be examined.

The Parties and the EC

Not surprisingly, Irish and Northern Irish parties differ in their attitudes to the EC. On the one hand, the SDLP, Fianna Fáil and Fine Gael have professed support for the EC, but, on the other hand, the DUP, the UUP and Sinn Féin are either deeply opposed to the Community, or are equivocal in their attitude to the Community.

For the *SDLP*, the European Community presents an ideal avenue to reconcile the two communities in Northern Ireland. The model of Franco-German *rapprochement* after World War two, facilitated by the establishment of the European Community, has an obvious appeal to constitutionalists aiming to end the historical animosity in Northern Ireland. That the Rome Treaty is inspired by the aim of integrating the nations of Europe, so that borders are made obsolete, clinches the EC's appeal to the SDLP.

From the 1970s onwards, the SDLP emphasised the EC's role as a healing force in Northern Ireland (Hainsworth, 1989, p. 56). Thus, as the EC's dynamism accelerated in 1988 with the Single European Act and a strengthened EC regional policy, the SDLP increasingly emphasised the potential of a European Community regional policy to advance cross-border co-operation. In 1991, for example, Hume stated that:

> Economic necessity underlines and underpins the idealistic reality of a united Europe ... the nation state has outlived its usefulness (Hume, 1991).

The SDLP's emphasis is on a Europe of the regions, where the concept of nationalism is overrun by a supranational European state of regions. The SDLP presses for the island of Ireland to be one region within this new Europe:

> The European Community also recognises the economic reality which is that our situation and needs are similar to those of the South of Ireland ... What we call for now is a joint approach and application based on a comprehensive economic plan covering the whole island (ibid).

The SDLP's enthusiasm for EC regional policy gives rise to its complaints that the Republic's government receives more aid than does the British government for Northern Ireland. The SDLP argues that if Northern Ireland could be represented by the Republic's government in negotiations for EC aid, then Northern Ireland would benefit more from EC regional policy. Consequently, there is a strong economic justification for the island of Ireland to speak with one voice in a supranational Europe of regions.

Similarly, Fianna Fáil and Fine Gael have no difficulty with EC regional policy. The Republic stands to gain from the EC Structural Funds and Fianna Fáil and Fine Gael have no ideological difficulty with the concept of the erosion of the Irish border. Thus, the SDLP, Fianna Fáil and Fine Gael parties do not have any ideological difficulty with cross-border co-operation.

It must be remembered that the support of constitutional nationalist parties for EC-induced cross-border co-operation cannot serve as evidence of co-operation, as I have defined it. (See chapter one). Rather, such support is an example of underlying harmony. For true cross-border co-operation to exist, there must be evidence that

unionist parties and traditional nationalist parties (Sinn Féin) support EC-induced cross-border co-operation. In fact, the DUP and UUP have not supported such co-operation and Sinn Féin's attitude to the EC has been ambivalent.

The response of both the UUP and the DUP to the EC has been broadly similar. Thus, in the 1975 referendum, both the DUP and the UUP emphasised the threat to British parliamentary sovereignty posed by the use of the referendum and of the EC itself (Hainsworth, 1989, p. 55). In the 1979 EP elections, both parties opposed the introduction of the Single Transferable Vote (STV) mechanism of Proportional Representation, claiming that it placed Northern Ireland further down the road to union with the Republic given the use of the STV system in the Republic (Hainsworth, 1989, pp. 58-59).

For unionists, the distinction between the absence of an Irish border, because Ireland is one region in a Europe of regions, and the absence of a border, because Ireland is recognised to be one nation in a Europe of nations, is hardly compelling. The aforementioned DUP/UUP opposition to the concept of supranationalism means that a Europe of the regions is not acceptable and lends itself to the argument that the SDLP's response to the European Community is a political ploy to unite Northern Ireland with the Republic. The argument, then, is that the European Community accommodates the SDLP ideology very well and, thus, the EC is a back door to Irish unification.

In both election manifestoes for the 1989 EP elections, the emphasis was on the defence of national sovereignty (Elliott, 1990, p. 96). As Hainsworth notes, the unionist parties reject what they perceive to be "an abuse of European institutions" and depict the European Community as a "sinister backcloth to Anglo-Irish discussions" (1981, p. 10). Thus Paisley stated in 1981 that:

> It is already noticeable how much of the EC's aid is channelled to cross-border schemes ... The evil genius of political and economic integration that motivates the Common Market can be seen at work in the Dublin talks (Hainsworth, 1981, p. 10).

In the 1975 referendum, Paisley "dubbed the Virgin Mary" as the 'Madonna of the Common Market'" (Hainsworth, 1989, p. 56). Similarly, in the 1979 direct elections to the EP, the DUP's campaign centred on the use of anti-Catholic rhetoric and an anti-EC stance. Yet Paisley, the

DUP candidate, pledged to gain as much material benefit from the EC as possible and to use the European Parliament to defend the Unionist position whenever necessary. As regards cross-border co-operation, Paisley was opposed to any contacts with the Republic of Ireland.

In their approach to cross-border initiatives, the DUP and UUP exhibit slightly different approaches. The DUP is and has been more suspicious of EC sponsored schemes and their possible implications for a unified Ireland (Hainsworth, 1981, p. 9). Hence, in 1979, the UUP was in favour of cross-border drainage schemes, but the DUP was deeply opposed to such schemes (Hainsworth, 1979, p. 475). However, both parties fear that the other will out-do it in the battle for unionist support (Hainsworth, 1989, p. 59). Thus, the UUP's approach to cross-border co-operation has not been as enthusiastic as that of the SDLP. Nor has Sinn Féin's approach to EC-induced cross-border co-operation been overwhelming.

Sinn Féin believes the EC undermines Irish sovereignty (Hainsworth, 1990, p. 91). Thus, in its 1992 election manifesto, the promising section titled "The European Dimension" is little more than a repetition of an oft-repeated Sinn Féin theme, namely that international organisations should be used to whip up international support for the Sinn Féin cause. In deference to the climate of European integration, Sinn Féin refers to the "the economic restructuring contained within EC integration after 1992" (Sinn Féin, 1992, p. 15). However, it continues:

> The stated aim of both processes is to remove artificial barriers and restrictions on the movement of people and goods. German unification is underway. The partition of Ireland ... needs to be addressed in the same way (ibid).

Thus, Sinn Féin concludes that "the political and economic transformation of Europe" is a chance for Ireland to resolve "its British problem and embark on a process of economic and political reunification..." (ibid).

This novel approach to European integration entails approving of the removal of artificial borders, but only so that the cause of nationalism can be advanced. Hence, Sinn Féin supports the strengthening of international co-operation, but only between sovereign states (Arthur and Jeffrey, 1988). It emphasises the need to preserve Ireland's neutrality policy and to protect Irish economic interests. Unlike the SDLP, Sinn Féin is opposed to supranationalism.

Thus, only the SDLP, Fianna Fáil and Fine Gael are unequivocal supporters of an integrated Europe. The question is whether DUP, UUP and Sinn Féin attitudes to the EC have altered in the aftermath of the SEA and as a result of the EC upgrading common interests between Northern Ireland and the Republic of Ireland? The reaction of MEPs and local councillors to the 1992 initiative will now be examined.

iii. Irish/Northern Irish MEPs and the European Parliament

There are multiple indicators of MEP cross-border co-operation:

- MEPs from Northern Ireland and the Republic of Ireland defend each other's economic interests at EP plenary sessions and at committee meetings.
- Irish and Northern Irish MEPs co-operate in drawing up joint resolutions.
- Irish/Northern Irish MEPs co-operate by meeting together to establish a joint position on certain policy matters.
- Irish/Northern Irish MEPs co-operation is reflected by the rhetoric of MEPs at EP plenaries and, of course, by their rhetoric and that of their officials when interviewed. Do they support endeavours to deepen regional cross-border co-operation?

As has been the case in previous chapters, the evidence cuts both ways. I begin by examining the case that the EC has not affected MEP cross-border co-operation.

The Absence of MEP Co-operation

There are numerous reasons why the EP's effect on Irish/Northern Irish party political co-operation appears to be limited. First, the dual mandate, whereby MEPs are also national MPs, means that many MEPs have little time to spend in the EP, whether they would co-operate there or not. Second, even when Irish and Northern Irish MEPs do attend the EP plenaries, there is little evidence of cross-border Irish/Northern Irish co-operation.

Attendance at the European Parliament

Because MEPs are often members of their national parliaments, they do not have time to concentrate on EP activities. This problem is accentuated for the DUP and SDLP MEPs. Both Hume and Paisley are leaders of their political parties. Their burden of work is larger than that of the average MEP who is a member of national parliament. This burden is reflected by one's first impression upon reading EP debates, namely that Irish MEPs and also Jim Nicholson appear to make more interventions than either Hume or Paisley.

Nicholson's burden of constituency work is lighter, because he is not an MP. Thus, he has more time to spend at EP committee and plenary sessions. It is estimated that he attends about 90 per cent of all committee meetings, whereas Paisley attends far less:

> Paisley is an infrequent attender at anything. He records his opinion, although not there (Interview, European Parliament, June, 1993).

Obviously, scope for cross-border co-operation at EP level is limited if attendance is poor at EP meetings. At committee meetings, for example, "MEPs just make their views known to the co-ordinator" (Interview, European Parliament, June 1993). Thus, work is channelled through the EP political groups. Indeed, one MEP's officer concentrated much more upon the contacts established between Hume and the EP's Socialist group, than those between Hume and his fellow Northern Irish MEPs (Interview, European Parliament, June 1993). It appears, then, that co-operation between MEPs, even when they are present at EP meetings, is limited.

Unlike other actors in previous chapters, MEP representatives did not cite actual examples of formal or informal co-operation. Discussions of the EP and cross-border co-operation assumed a general air. One interviewee talked about the Socialist Group (Interview, European Parliament, 31.3.93). Another talked about the general atmosphere in the EC and how that required a different mind set from Northern Irish politics (Interview, European Parliament, July 1992), but he did not expand his point. No one provided concrete examples of cross-border co-operation between Northern Irish and

Irish MEPs. Moreover, there is evidence that suggests that the co-operation between those MEPs who do attend EP meetings, is limited.

Co-operation at plenary and committee meetings

There are four types of evidence which appear to imply that Irish/Northern Irish cross-border co-operation at EP plenaries is limited, even when MEPs attend. First, MEPs from the Republic of Ireland rarely support or advance Northern Irish interests at EP plenaries and vice versa. Second, whereas Irish, SDLP and UUP MEPs show concern for Northern Irish and Irish Structural Funds receipts, Paisley's concern is not as consistently exhibited at EP plenary sessions. Third, Ian Paisley has chosen to use the EP to promote DUP opinion. He has brought sectarian rhetoric into EP discussions. Fourth, unionists have traditionally refused to discuss Northern Irish political matters in the EP. I will now examine each of these factors.

At EP plenaries, it is rare that an Irish MEP refers to shared interests between Northern Ireland and the Republic of Ireland. Yes, Irish MEPs are aware of the significance of the Structural Funds, the CAP reform and the creation of the SEM. However, the logic of cross-border co-operation is not acknowledged in EP plenaries. Irish MEPs frequently make the case for increased regional aid, for the protection of Irish farmers and for an improved EC tourism policy. However, they do not refer to their common interest with Northern Ireland in this regard.

Most strikingly, in the aftermath of the Maastricht Treaty discussions, Nicholson pleaded for inclusion of Northern Ireland in the new Cohesion Fund:"Objective One areas not included in the Structural Funds will now be placed at a tremendous disadvantage to other parts of the community".[5] Irish MEPs did not comment upon Northern Ireland's exclusion. As in previous chapters, Irish representatives actors appear to have a set of priorities which does not include Northern Ireland.

Similarly, Northern Irish MEPs do not advance the interest of the Republic of Ireland in plenary meetings. An exception to this contention is Hume's report of 1987. In this report, Hume set out a regional framework for Irish administration of EC regional policy aid.

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5 Nicholson, J., *Debate of the European Parliament*, No. 3-426/99, 19.1.93.

The report was greeted warmly by the Irish MEPs. Paisley and Taylor, in contrast, did not take part in the debate. Nor for that matter does Ian Paisley always promote the economic interest of Northern Ireland at plenaries.

Unionist MEPs and the EP: Paisley and Taylor

Although Paisley does sometimes speak on behalf of Northern Irish economic interests, he is by no means consistent in defending those interests. He mixes economic pragmatism with political rhetoric. It is his political rhetoric which indicates that the EC is having a limited effect upon his attitude to cross-border co-operation and to the EC.

For example, in the EP's debate on European Union, in the midst of Irish demands for increased regional aid, Paisley took a loftier angle:

> The true future of the nations in Europe lies in co-operation and not in incorporation. In unity, but not in uniformity. In national sovereignty, not in international submergence and in a family of nations, not in a federation of nations.[6]

Thus, the importance of EC regional aid emphasised at this time by Irish MEPs was not mentioned by Paisley. Similarly, in the Maastricht debate, Paisley expressed his opposition to federal union, but he did not mention the importance of EC regional aid to the Northern Irish economy.[7]

This approach to the EC is, of course, evident in the DUP's election manifestoes and in the DUP's rhetorical opposition to the EC. Paisley displays an ambivalent response to EC policy. He participates in the EP, but he does not always acknowledge the EC's importance for the Northern Irish economy. Moreover, he has given EP members a taste of sectarian rhetoric. Such rhetoric on a European forum illustrates the absence of Paisley's "Europeanisation".

There are some fine examples of divisive political rhetoric at EP sessions These examples indicate that the EC has not altered the behaviour of MEPs significantly. There are three main examples of such political rhetoric: the reaction of unionist MEPs to the Haagerup Report

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6 Paisley, I., *Debate of the European Parliament*, No. 3 411/140, 20.11.91.
7 Paisley, I., *Debate of the European Parliament*, No. 3, 422/32, 14.10.92.

in 1988; unionist reaction to discussion of the Stalker Affair in 1988; and, finally, Paisley's reaction to the Pope's visit to the EP in 1988.

Both Paisley and John Taylor, the former UUP MEP, have been opposed to the inclusion of Northern Irish political issues in EP debates. In 1988, the Haagerup Report, drawn up on behalf of the EP's Political Affairs Committee, addressed the conflict in Northern Ireland. The report stated that "it is not up to an outside body like the European Parliament to dictate anything resembling political proposals regarding the Northern Ireland situation".[8]

The report itself did of course make political recommendations. The *rapporteur* argued that Irish unity could not take place for the foreseeable future, because of the violence that would occur should the UK withdraw from Northern Ireland and because of the financial cost of unification to the Republic. A joint UK, Irish, EC financial funding scheme would be insufficient to cover this cost. Nor would an EC peace-keeping force "be realistic" (Haagerup, 1988, p. 72).

The *rapporteur* recommended the development of a British and Irish consensus to encourage a basis for co-operation in Northern Ireland. In particular, he recommended the establishment of joint British-Irish responsibilities in specific political, legal and 'other" fields (Haagerup, 1988, p. 73). Devolution should be the aim of internal reform within Northern Ireland (Haagerup, 1988, p. 74). The EC's role would be an economic and social one (ibid).

The Haagerup Report also emphasised the importance of cross-border co-operation. The Commission and the Council of Ministers is requested to present an integrated development for Northern Ireland and the border regions (Haagerup, 1988, p. 7). The hope was expressed that the additionality problem will be resolved and the need to improve cross-border trade was emphasised (Haagerup, 1988, p. 9).

The report was deeply opposed by Paisley and Taylor. Both MEPs rejected its recommendations and objected to discussion of the political conflict in Northern Ireland at an EP session. In contrast, the report was welcomed by Irish and SDLP MEPs. Its recommendations fit neatly with the SDLP's approach to the conflict in Northern Ireland. Similarly, the Haagerup Report was welcomed by the Irish MEPs. Nationalist and unionist reaction was predictable once more and matched each party's ideology with respect to the conflict. The

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[8] *Haagerup Report*, PE 88.265/fin, March 12 1988.

emphasis on joint administration and eventually devolution for Northern Ireland appeared to threaten unionist ideology which desired an absolute union with the UK. On the other hand, the report's gradualist approach and its aim of devolution fit neatly the revisionist nationalist aims. Thus, the MEPs' reaction to the Haagerup Report was indeed predictable. The EP did not appear to facilitate any greater political co-operation than did Westminster, Stormount, or Dáil Eireann.

In characteristic fashion, Paisley objected dramatically to the Pope's visit to the EP in 1988. The degree of political tension between Paisley and MEPs from the Republic of Ireland was also made clear. The day before the Pope's visit, for example, one Irish MEP asked if there was "any way we can ensure that Mr Paisley who is considered by many to be an institutional terrorist does not get the floor tomorrow?"[9] Paisley retorted that:

> Perhaps he [Andrews] would like to open an inquisition torture chamber in this parliament so that he could put on the rack those who do not agree with him or with the Roman Pontiff ... As a Protestant, Mr President, I have no apology to make for the attitude of Reformation Protestants to the claims of the Pope of Rome.[10]

On the day of the visit, Paisley did indeed make no apology, nor remain silent. Referring to the Pope he stated that: "His Church has been responsible for the torture and murder of millions in the Spanish inquisition and well he knows it".[11] Paisley was eventually removed from the chamber.

All these examples serve to illustrate the constancy of the political divide in Northern Ireland. The reactions of the Northern Irish and Irish MEPs appear to be entirely predictable. Unionists have been opposed to joint power sharing and to joint regional arrangements. Paisley and Taylor have objected to the inclusion of political matters in EP debates, while Hume and Irish MEPs have welcomed such initiatives.

These reactions are entirely in keeping with the political views of each party and with each party's approach to the EC. In this way, it

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9 Andrews, N., *Debate of the European Parliament*, No 2-369/2, 10.10 88.

10 Paisley, I., *Debate of the European Parliament*, No. 2-369/2, 10.10.88.

11 Paisley, I., Debate of the European Parliament, No. 2 369/4, 11.10.88.

does indeed appear to be the case that partisan linkage politics characterises the MEPs' behaviour at EP meetings. Indeed, one officer noted that:

> Economic co-operation tends to get bogged down in partisan politics in Northern Ireland. Each of the MEPs co-operate, but something happens to their political metabolism when they land at Aldergrove (Interview, European Parliament, June, 1993).

However, despite these examples of continuing political division, there are qualifications to be made; the EC has shaped MEP behaviour in a manner more consistent with the hopes of integrationists.

Evidence of MEP Co-operation

Co-operation between Irish and Northern Irish political actors is a subtle act. We have already seen how DUP and UUP politicians regard each other as rivals for unionist support. Thus, each party must be careful not to alienate its supporters by dramatic acts of co-operation with nationalists. Nor can party leaders be seen to deviate from their party ideology with respect to Northern Ireland. It is possible that the blunt measures of public rhetoric, of formal negotiations and even of private interviews conceal informal, small, but nonetheless significant contacts between Irish and Northern Irish MEPs.

Corridor conversations are infamously difficult to detail. They are not as tangible as formal meetings between politicians. There are no minutes, or diary entries of their contents. Interviewees may be reluctant to disclose their contents. However, their occurrence implies that unionist opposition to the idea of European integration and to cross-border co-operation may be mingled with economic pragmatism, either overt or quiet. In this section, I provide evidence of MEPs' pragmatism in their approach towards the EC. This evidence falls into four categories: rhetoric at EP debates, informal discussions on economic matters, joint meetings between SDLP and unionist MEPs and, finally, Irish, SDLP and unionist membership of the same EP committees.

Rhetoric at EP Plenary Meetings

Although Paisley has not always made the case for increased EC aid for Northern Ireland at apparently appropriate times, all Northern Irish and Irish MEPs are aware of the importance of the Structural Funds for the Northern Irish economies and are similarly aware of the significance of CAP reform and the creation of the SEM. The Irish and Northern Irish MEPs show their concern that their regions receive regional aid. They are conscious of the changes posed by EC policy initiatives.

Nicholson, for example, frequently pleads for greater protection of the family farm when discussing the CAP reform proposals.[12] He believes that it is his job to protect the economic interest of Northern Ireland in the EP (Interview, European Parliament, July, 1992). Similarly, Paisley has expressed his opposition to any weakening of the CAP price support system.

The problem of additionality (chapter three) is also recognised by unionist and SDLP MEPs alike:

> The question of additionality is a running sore as far as Northern Ireland is concerned ... It is not honest for the British government to apply for monies and to refuse to put those monies into the particular projects for which they have been requested. That is absolutely dishonest (Paisley, 12.9.91).[13]

Thus, unionist and nationalist MEPs from Northern Ireland are aware of the importance of EC policies for their economy. Irish MEPs are also active in maximising benefits from the EC for the Irish economy. All Irish MEPs frequently speak on the CAP reform, on the Structural Funds and on the plight of the Republic as a peripheral region. Thus, rhetoric indicates that the EC policy changes which were initiated in the 1980s are perceived to be important by Irish and Northern Irish MEPs. This importance is reflected by the fact that SDLP, UUP and DUP MEPs co-operate with the aim of maximising their receipts from the EC.

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12 *Debate of the European Parliament*, No. 3 412/114, 11. 12. 1991.

13 *Debate of the European Parliament*, No. 3, 498/266, 12.9. 1991.

Informal and Formal Nationalist-Unionist Co-operation

There is cross-party co-operation between Northern Irish MEPs on the desire to receive more aid for Northern Ireland from the Structural Funds. For example, in June 1993, Northern Ireland was in the final throes of submitting its application for Structural Funds for the period 1993 -1996. Jim Nicholson, the UUP representative, and John Hume discussed this matter informally: "on the plane from Brussels, for example" (Interview, European Parliament, June 1993). Similarly, in a meeting with the British Prime Minister, John Major, in the aftermath of the divisive Maastricht Conference, both Hume and Paisley joined together to meet Major to express their discontent at Northern Ireland's exclusion from the new Cohesion Fund (RTE news, 21.1.92). Another example of unionist/nationalist co-operation is Hume's proposal that the EC sponsored Belfast Integrated Scheme, which was initiated in 1979 should be applied to Northern Ireland as a whole. This proposal was backed by both Paisley and the UUP representative at that time John Taylor.

Moreover, the fact that Irish and Northern Irish MEPs share a common interest in defending their economies appears to be acknowledged by the fact that UUP, DUP, SDLP and Irish MEPs are members of the EC's Agriculture, Fisheries and Rural Development Committee. The Irish and Northern Irish MEPs work together on EP committees. Informal discussions take place between these MEPs on committee matters:

> Corridor talks take place ... There's a fair bit of co-operation between MEPs on the committee (Interview, European Parliament, 31.3.93).

Similarly, Jim Nicholson's European Officer commented that there is "fairly good co-operation generally on the committees" (Private Interview, 1993). From my reading of EP debates and from my interviews conducted with those who work for the Northern Irish MEPs, the work of Jim Nicholson at EP meetings stands out. Again, the fact that Nicholson is not an MP gives him more time for EC work. However, one officer commented upon Nicholson's pragmatic attitude. and upon the ease with which he interacts with his fellow MEPs. (Interview, European Parliament, July, 1992).

In a practical informal sense, the EP's committee system of the EP provides a forum for cross-border co-operation between MEPs. Moreover, EC regional policy has caused unionist and nationalist politicians to co-operate with each other, either overtly, as when Hume and Paisley met the British Prime Minister, or informally, in corridor chats and during flight journeys. In this way, the EC policy has indeed influenced the behaviour of Northern Irish and Irish MEPs. As one European officer put it: "It's not zero sum. Here, they can have a disagreement that doesn't mean a loss on the constitutional issue". (Interview, European Parliament, 31.3.93).

Thus, unionist MEPs, do acknowledge the significance of EC policy for Northern Ireland in practice. Although both the DUP and the UUP proclaim their opposition to the EC as a threat to national sovereignty, both their MEPs participate in EC institutions. Both co-operate with Hume in their attempt to maximise EC receipts. Consequently, EC policy does have some effect upon Northern Irish MEPs.

iv. Conclusion

There are two apparently contradictory sets of evidence regarding Irish/Northern Irish MEP co-operation. There is little tangible evidence of co-operation either between SDLP and unionist MEPs, or between unionist and Irish MEPs. Moreover, MEP political co-operation is absent. For these reasons, partisan linkage politics may indeed characterise MEP attitudes towards EC policy change. If so, then there is little chance of cross-border co-operation emerging between Irish and Northern Irish MEPs.

However, beneath this interpretation of this chapter's findings, there lies another world. Despite the absence of political co-operation and of cross-border economic co-operation, the existence of partisan linkage politics is not entirely confirmed. The Northern Irish MEPs do not automatically subsume EC economic matters under a nationalist/unionist ideological umbrella. There is a consensus of opinion between all MEPs (Irish and Northern Irish) on EC regional policy. In other words, there is cross-national and cross-sectarian practical support, albeit grudging, for EC regional policy.

While condemning the basic integrative principle of the EC and while claiming that the Community is evil, unionist representatives still participate in its Parliament and lobby for increased amounts of aid from its funds. Moreover, unionist representatives do so in co-operation with the SDLP. Hence, in a political game where there are so few bargainable issues and where such little leeway is given for compromise, the UUP and the DUP exhibit an equivocal attitude to EC aid.

Unionist leaders milk the EC cow (Hainsworth, 1981, p. 12), whence the inherent contradiction in their response to the EC. The UUP in particular has confused its supporters, so ambivalent has its election rhetoric been on EC matters (Hainsworth, 1989, p. 59 and Hainsworth, 1979, pp. 477-478). However, this ambivalence does not precipitate sharp grassroot cries that unionism is selling out to the EC. This ambivalence lifts the EC out of the zero-sum game that is Northern Irish politics.

The creation of the SEM, the reform of the CAP and the reform of EC regional policy have not created this equivocal attitude. There was a unionist/SDLP willingness to co-operate economically before these policy initiatives, for example, in 1979. However, these policies have increased the economic logic of such co-operation. The financial stakes to be won from maximising EC aid are higher since EC policy reform. Thus, although cross-border co-operation between Irish and Northern Irish MEPs is not as evident as that between nationalist and unionist MEPs, there is still evidence that the EC can increase co-operation between parties within Northern Ireland.

For this reason, the reaction of Northern Irish MEPs to the EC policy initiatives of the 1980s is not a clear cut example of linkage politics. The UUP, the DUP and the SDLP are more free to react without inhibition to EC policy within the EP framework. In one sense, the EC represents a limited normalisation of politics for Northern Irish MEPs. The dramatic interludes exist, but so too do the quiet informal conversations on matters other than Northern Ireland's constitutional status. The subject of this co-operation is the attempt to maximise EC aid.

Thus, 'money talks', even in Northern Ireland and even EC money. EC regional policy, by providing money, has indeed affected the behaviour of MEPs. It has not altered greatly the level of cross-

border co-operation between nationalists and unionists. Nor has it affected levels of political co-operation. However, EC money does provide a basis for economic co-operation between nationalists and unionists within Northern Ireland. Arguably, increased amounts of EC aid would increase the chances of cross-border economic co-operation occurring between Irish and Northern Irish politicians.

Chapter Seven

Political Parties and Cross-Border Co-operation
ii.: Local Government and Cross-Border Co-operation

Introduction

Local councillors are in constant touch with their constituents. They reflect both their parties' opinions on EC policy and, yet, they may communicate their constituents practical concerns. For this reason, it is vital to examine the response of local councillors to EC policy change. In this chapter I examine the reaction of political parties at grass root level to the EC.

The extent to which local councillors conform to their parties attitudes to the EC will be examined. As in the previous chapter, the main focus of attention is whether partisan linkage politics characterises the reaction of local councillors to the EC. Local government in four border counties will be studied: Donegal in the Republic of Ireland and the adjoining county of Londonderry/Derry in Northern Ireland; and Louth in the Republic and its adjoining county of Down in Northern Ireland. Local representatives of six main parties in both the Irish and British jurisdictions were interviewed: Fianna Fáil and Fine Gael in the Republic and the Democratic Unionist Party (DUP), the Ulster Unionist Party (UUP), the Social Democratic and Labour Party (SDLP) and Sinn Féin in Northern Ireland.

Before beginning the substantive section of this chapter, the role of local government in both jurisdictions will be assessed. This assessment is followed by the examination of the EC's effect on local government cross-border co-operation. In conclusion, I will argue that the EC is increasing the level of cross-border co-operation between local councillors. However, there is no evidence of the EC increasing the level of cross-border *political* co-operation between local councillors.

i. The Role of Local Government in Northern Ireland and the Republic

In Northern Ireland, the role of local government has been closely bound to the sectarian divide. Unionist fear of Catholic Irish usurpation led to the creation of a Protestant state in Northern Ireland (see p. 42). Local government was used to achieve this aim. Thus, PR was abolished for local elections, electoral boundaries were redrawn and restrictions of the franchise were maintained and extended (see p. 42). These reforms had the effect of diminishing Catholic influence in the

running of the Northern Irish state in general and, in particular, of effectively excluding nationalists from involvement in most of local government. The permeation of unionist influence, whereby local government became merely another channel of discrimination, led to the reform of Northern Irish local government in 1972 under direct rule from Westminster (chapter two).

A managerial reform process had occurred gradually, but incompletely, in the 1960s.[1] The MacRory Report in 1968 attempted to introduce change to the local government system. In 1969, for example, local government lost control of housing and health. Health Boards were established upon which a small number of local councillors sat, alongside experts and professionals. The 1972 reform created new constituency boundaries. It also extended the franchise and introduced PR as the local government electoral system. Thus, "the Northern Ireland system is a product of the political turmoil of the late 1960s and early 1970s when change was dictated by the dramatic events of the troubles" (Knox, 1990a, p. 42).

The main result of these changes is that the number of unionist dominated councils has decreased and, indeed, on most councils no one party has a clear majority. However, although nationalist parties enjoy a greater chance of winning local government seats, the real power of local government has been greatly eroded. Its functions consist mainly of regulatory services, for example, street cleaning, refuse collection and cemetary maintenance work. However, the overriding concerns of local councillors relate not to these narrow functions, but to the constitutional issue of Northern Ireland's status and, more generally, to the sectarian divide within Northern Ireland.

Thus, in 1985, unionist councillors protested against the participation of Sinn Féin members in local government, following the Sinn Féin decision to take its seats in the political arena (Knox, 1990a, p. 47). In 1986, unionist councillors threatened to refuse to set local rates and to bring local government to a standstill in protest at the signing of the Anglo-Irish Agreement (O'Leary and McGarry, 1993, p. 253). Similarly, the 1989 local government election was fought on predictably nationalist and unionist issues. For example, the DUP and the UUP

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[1] For a discussion of local government reform in the sixties and its inadequacy, see Tomlinson, M., (1980), "Relegating Local Government", in O'Dowd, L., Rolston, B., and Tomlinson, M., *Northern Ireland: Between Civil Rights and Civil War* , pp. 95-119.

continued to voice their opposition to the Anglo-Irish Agreement, whilst the SDLP emphasised the need for the sharing of authority at local level (Knox, 1990b, pp. 78-79). The latter party voiced its opposition to the devolution of power to local government, whilst the unionist parties demanded that local government's power should be increased. As for Sinn Féin, it opposed the media ban which prevented its members from speaking on television and radio and it called for Irish national self-determination (Knox, 1990b, pp. 79-80). Clearly, in Northern Irish local government, the "absorbing concerns about the presence of Sinn Féin councillors and the Anglo-Irish Agreement overshadow the routine business of providing leisure and environmental services" (Knox, 1990a, p. 42). Moreover, local elections are perceived to provide valuable information on the climate of Northern Irish public opinion as regards wider political issues (Knox, 1990b, p. 77). This predominance of wider political issues implies that broad party policy dictates the behaviour and attitude of individual councillors. This situation is not unique to Northern Ireland. Local politics in the Republic is also dominated by broader concerns.

The functions of local government in the Republic are relatively narrow in scope. They include water supply, road safety, waste disposal, burial ground upkeep and the provision of recreation amenities. Control of housing and health is not within Irish local government's competence. Many of these functions appear to be more significant than they actually are. For example, the key decisions regarding the quantity of money available and how exactly this money will be spent are made at central level. The Local Government (Financial Provisions) Acts in 1977 and 1978 removed the power of local government to set local rates. In 1987, local government expenditure accounted for only 10 per cent of Gross National Product (GNP) (Barrington, 1987, p. 138). Even the 1989 *Programme for Government* failed to grapple with local government finance.[2] Moreover, the existence of brokerage weakens local government.

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[2] For an overview of the 1992 Irish local government reform see McDonald F., Bureaucracy Casts Shadow over Devolution, *The Irish Times*, June 5, 1992, and for an overview of the problems of local governmental finance in the Republic, see Kennedy, G., Unfair Advantage and Anomalies of Local Charges, *The Irish Times*, June 7, 1992.

Brokerage consolidates the weakness of Irish local government. 'Brokerage' describes the situation where constituents lobby members of parliament (TDs) who, in turn, lobby the central government to provide services for the constituents at the local level. In return, if the TD is successful, the constituents support him\her at election time. Thus, the TD acts as a patron to the constituents and as a broker between the constituents and central government. This ultimate power of central government as a provider of favours to local constituents, greatly undermines the position and power of local government. The important point to note is that national party machines dominate the local elections:

> Local government may ostensibly be about local issues, but they are fought by national parties ... and are seen by these parties as an important part of their preparations for national elections (Fitzgerald, 1992, p. 99).

In the attempt to overcome the existence of brokerage, the system of city or county management was introduced in the Republic. Rather than a committee system, the manager dominates local government decision making process. S/he controls staff, enters in contracts and gives or withholds planning permission (Roche, 1982, p. 111). The manager is also responsible for the budgetary process and plans expenditure for the forthcoming year. The existence of the managerial system strengthens the degree of centralisation in the Irish local government system. Its introduction into the Republic was meant to limit the extent of brokerage in the system, for local councillors would be less able to pursue their own individual clientelistic relations if a manager ensured centralised control of their activities. However, according to the McKinsey Report, the manager is embroiled in day to day tasks and fails to plan ahead (McKinsey & Co, 1972). Thus, local government in the Republic is criticised for failing to plan strategically and to think in the long run, as opposed to the short run.

The weakness of local government is a common feature of both Northern Ireland and the Republic. In contrast to the Northern Irish case, however, the weakness of local government in the Republic does not necessarily imply that local issues are transcended by ideological party political issues. In fact, in the Republic, local issues can often dominate the behaviour of the national parties, because of the specific nature of the political environment. Thus, one observer notes that,

"local representation is considered vital to the continued success of the parties at national level, because of the localist and clientelist nature of Irish politics" (Fitzgerald, 1992, p. 99). The situation is a complex one therefore where national parties dominate local council activity and limit council power, but local *issues* often dominate national politics.

The very weakness of local government both in the Republic and in Northern Ireland, constrains EC reform. The EC envisages greater sub-national participation in domestic planning processes. Ideally, it would foresee local government as a free agent reacting to economic incentives for cross-border co-operation and engaging in long-term cross-border initiatives. The dominance of central government in both EC regions potentially inhibits cross-border co-operation, because central government will not necessarily respond to local economic signals and incentives for cross-border co-operation. The extent to which the EC has overcome these possible obstacles to cross-border co-operation is the subject of the remainder of this chapter.

ii. The EC and Local Government Cross-Border Co-operation

According to those who believe that partisan linkage politics characterises party attitudes towards the EC, the EC will have little effect on cross-border co-operation between specific local councillors. Those councillors who are opposed to a united Ireland will be opposed to EC-induced cross-border co-operation, because such co-operation will be perceived to be a step towards a united Ireland. In contrast, evidence that all local councillors are responding to EC policies by increasing cross-border co-operation, implies that the EC-induced cross-border co-operation is not subsumed under a sectarian umbrella. In this way, neo-functionalism is applicable to the case of local government.

There are various types of evidence indicating that local councillors are engaging in cross-border co-operation because of EC policy. In practical terms, local government cross-border co-operation means that councillors are in support of cross-border initiatives. This support may be manifested in a number of ways: by attending meetings with adjoining councils across the border; by exchanging information with other councillors across the border; by advancing joint cross-border programmes to the EC or national government; or

simply by commending the cross-border co-operation approach. That is, support may be manifested by the rhetoric of individual councillors. The extent to which there is evidence of these forms of cross-border co-operation will now be examined. A cursory examination of local government along the border regions provides a glimmer of light for advocates of cross-border co-operation. There is evidence both of the existence and the absence of increased local government cross-border co-operation.

Evidence of local government cross-border co-operation:

Evidence of local government cross-border co-operation falls into three categories: special cross-border committees which provide a structured forum for cross-border meetings and initiatives, the existence of joint studies and the rhetoric of certain local councillors who were enthusiastic about EC-induced cross-border co-operation.

Special cross-border committees have been established in both the Dundalk-Newry area (the East Border Region Committee) and the Donegal-Derry/Londonderry area (the North West Cross Border Group) to advance the economic development of these economies. Although these committees were established before the EC's recent policy reforms, it appears that these EC policy initiatives have provided greater impetus for each committee's activities. In this way, the EC has increased cross-border co-operation between local councils.

The North West Region Cross-Border Group comprises Derry/Londonderry city council, Donegal county council and Strabane district council and it has been given impetus by the reform of EC regional policy and by the creation of the SEM. The group aims to work together for the benefit of North West region as a whole. The argument is that as areas on both sides of the border in the North West face common problems, then, they should join together to develop a common strategy so as to overcome these economic problems (North West Region Cross-Border Group, 1993). This logic of co-operation fits neatly with the argument that the EC has created incentives for cross-border co-operation by not only providing money for such co-operation, but also by increasing the number of common threats and opportunities faced by Northern Ireland and the Republic.

In this way, EC policy should provide impetus for the Cross-Border Group's activity.

Indeed, it appears that the EC has provided this impetus. In 1987, the same year as the signing of the SEA, a North West Study was commissioned by the British and Irish governments to develop a common strategy for the three regions, so as to overcome common problems. The study was partly financed by the Commission and it emphasised the need to build on shared strengths and to overcome peripherality. The study emphasised the need to build on tourism potential, to foster indigenous enterprise and to encourage development. It also emphasised the need to improve infrastructure. Interreg provided funding for the implementation of specific projects outlined in the study.

In April 1993, the North West Region Cross-Border Group office was opened in Derry/Londonderry to implement the recommendations of the North West study. Again, the office is funded by Interreg. The Irish Taoiseach, Albert Reynolds, when opening the office with Lord Arran, Northern Irish Minister for Health and Social Services, observed that:

> In the new post-1992 context, there is growing appreciation that co-operation between the two economies, North and South, can bring enormous economic benefits ... The on-going EC-funded Operational Programmes are ... being used where possible to advance a number of recommendations of the Study. The same approach will be followed in regard to the post-1993 round of Structural Funds (Lord Arran, quoted in *Derry Journal*, April 20, 1993).

Thus, the activities of the North West Group have indeed been increased by the reform of EC regional policy which provided the money for Interreg and by the general initiative of creating the SEM.

Similarly, the East Border Region Committee has been given fresh impetus by the EC. This committee was established in 1976 and it consists of members of four councils, two from each side of the border: Newry and Mourne (constituting one council area); and Down (in Northern Ireland) Louth and Monaghan (in the Republic). Although the committee has been in existence longer than the 1987-1992 time span covered by this examination, there is no doubt that the chance to gain regional policy money from the reformed EC structural funds has aided cross-border activities. As an SDLP councillor noted "it is easier

to get money (from the EC) for a cross-border scheme" in the aftermath of EC regional policy reform than for a scheme that is specific to one side of the border only (Interview, SDLP councillor, 28.7.92). Thus, the EC provides greater impetus to the East Border Region Committee to develop cross-border initiatives.

The committee meets every two months and has engaged in tourism studies, which are funded by the EC. Tourism too is at the heart of the joint proposals made to advance the economic welfare of the East border region. The key proposal of relevance to Dundalk and Newry is the joint Dundalk-Newry lobby currently being made for a bridge, linking the Clooney peninsula in Dundalk with Warrenpoint, north of Newry, a scenic point, which according to one SDLP councillor is "ideal for a bridge" (Interview, SDLP councillor, 28.7.92). Similarly, Newry council is supporting Dundalk council in the latter's lobby for an airport — an infrastructural aid to both areas on either side of the border.

The increased activity of these two cross-border committees from 1987 onwards and the financial help which these groups receive from the EC provides evidence that the EC has indeed increased levels of cross-border co-operation. The committees' work also involves the preparation of studies and necessitates joint meetings between councils on either side of the border. Thus, the establishment of the committees, the resultant cross-border meetings and the preparation of joint studies forms the core of tangible evidence that the EC has increased levels of local government cross-border co-operation in the Donegal/Derry/Londonderry and Dundalk/Newry regions. Apart from this more tangible evidence of cross-border co-operation, there is also evidence from the rhetoric of local councillors that the EC has increased cross-border co-operation.

Rhetorical Enthusiasm for Local Government Cross-Border Co-operation

Many councillors who were interviewed expressed their belief that the EC was increasing cross-border co-operation between local councils and that such co-operation was desirable. Thus, apart from the more tangible examples of cross-border local government co-operation, there is the strong perceptual element which governs the behaviour of councillors. Thus, enthusiasts of the above co-operative endeavours

note the existence of common interests between, for example, Newry and Dundalk — the proximity of the two areas to each other; the common geographical and demographic aspects; the common benefit to be derived from developing tourism.

There were councillors on both sides of the border who noted this perceived existence of common interests. For example, one SDLP councillor commented:

> I wouldn't deride the EC. The principle behind it, that the other less developed countries will be assisted by the well developed ones, is a good decision ... With the disappearance of customs controls, excise duties and with harmonisation, national governments will just be a rubber stamp. That'll be great for people like us (Interview, SDLP councillor, 28.7.92).

Similarly, one Fianna Fáil councillor in Dundalk noted the extent of intermarrying between citizens of Dundalk and Newry and also the extent of cross-border shopping and commented on the significance of the EC in bringing down border posts, where such common interests exist (Interview, Fianna Fáil councillor, 1.7.92). Similarly, a UUP councillor in Newry noted how a majority of people in Newry share an interest in Gaelic football with the Dundalk population, how they share a similar lifestyle and how they enjoy trade links (Interview, UUP councillor, 28.7.92). The Fine Gael councillor interviewed also noted these common interests (Interview, Fine Gael councillor, 8.8.92).

The perception of common interests extended also to the case of Donegal and Derry/Londonderry. Here, one Fianna Fáil councillor regretted the fact that for administrative purposes Donegal was always treated alongside Connaught in the West of Ireland, but that in fact it had little in common with Connaught and had much more in common with Derry:

> [Donegal] has a totally different outlook from Connaught. We would see fishing, tourism and farming as important. In Connaught, farming comes first (Interview, Fianna Fáil councillor, 12.8.92).

This councillor observed that Donegal and Derry/Londonderry councils enjoyed good and close relations and cited the North West study as evidence of cross-border co-operation.

Similarly, both SDLP and DUP councillors on Derry/Londonderry council expressed support for cross-border endeavours:

> With barriers down, I don't see anything wrong with commercial companies co-operating ... Nobody minds as long as there are no political overtones (Interview, Derry/Londonderry councillor, 5.1.93).

The above DUP councillor spoke of how members of the new Europe must learn from each other and adapt to the modern world. Similarly, the SDLP councillor who was interviewed observed that:

> You get a consensus [between the parties] for any kind of funding ... There is a fair degree of consensus at this stage. In the early days, unionists were restrained about the EC. They were certainly "iffy" about what the SDLP does [lobbying for greater EC competence in certain areas] ... The change in the Structural Funds has helped (Interview, SDLP councillor, 5.1.93).

This SDLP councillor also made another significant point. For him the role of business communities was vital in influencing party responses to the reform of the Structural Funds. The absence of regional government within Northern Ireland as well as the spread of quangos has meant that when it comes to political appointments in the administrative system in Northern Ireland, people in business are appointed. Thus, business people have formal power in Northern Ireland. Their attitude to cross-border co-operation thus influences the general level of cross-border co-operation between Northern Ireland and the Republic of Ireland (Interview, SDLP councillor, 5.1.93).

Furthermore, the EC is perceived by this SDLP councillor to have an indirect effect upon political parties in Northern Ireland. The EC places parties in Northern Ireland in a new transnational setting, where the traditional notion of sovereignty is less significant. Consequently,

> There's a different psychological framework. The notion of regionalism has been encouraged. Hume used the term a few years ago. Unionists cried out that he meant one Irish region. Now they use the term themselves (Interview, SDLP councillor, 5.1.93).

Thus, there is evidence of two types of EC-induced cross-border co-operation: first, co-operation which is more tangible — joint meetings of councils, cross-border projects funded by the EC's regional fund, since its reform in 1988, and of course, joint studies and, second, there is evidence of more abstract co-operation — the perception that common interests exist. This perception is not necessarily caused by the EC, but what is important in the context of this thesis is that the role of the EC and of EC regional policy are recognised by certain councillors as building upon those common interests. Precisely which councillors emphasise this EC role — SDLP, Fianna Fáil and Fine Gael members — qualifies the above 'optimistic' argument. The next section amplifies this point.

Evidence of the absence of local government cross-border co-operation: The meaning of co-operation

The significance of the fact that those councillors who enthused most about EC-induced cross-border co-operation belonged to either the SDLP, Fianna Fáil, or Fine Gael is based upon the analysis of co-operation from chapter one. These parties have an ideology which fits the argument for EC-induced cross-border co-operation neatly. Thus one councillor pointed out that the level of (Northern Irish) local government cross-border co-operation was "a function of SDLP influence" (Interview, Fianna Fáil councillor, 12.8.92). Where the SDLP had a majority on a council, that council engaged in cross-border co-operation. Both Newry and Derry/Londonderry councils have SDLP majorities.

Similarly, another councilor noted that "generally those councillors that lobby best [for EC aid] co-operated better with each other in the first place" (Interview, SDLP councillor, 5.1.93). As those councils which co-operated most with each other were SDLP majority councils, then those councils which now respond to EC policy by engaging in joint lobbying activities are councils with SDLP majorities.

Thus, the DUP councillor observed that "There's a lot of talk about having joint boards. This idea of joint this and joint that, I would be totally opposed to it" (Interview, DUP councillor, 5.1.93). For this councillor business co-operation was acceptable, but a joint board to administer over a particular functional area was construed as being a

form of political cross-border co-operation and consequently was deemed to be out of hand.

Similarly, whilst SDLP councillors in Newry were up-beat in their perception of EC activity in the area, the UUP councillor in Newry exhibited a starkly different attitude. Although this councillor mentioned the East Border Region Committee, he expressed ignorance of its activities and advised that the interviewer speak to the members of the committee, rather than himself (Interview, UUP councillor, 28.7.92). This advice highlights a problem which is common to the findings of the previous chapters, namely, that often the interviewees in Dundalk/Newry were aware of EC-induced cross-border initiatives only because they themselves were directly involved in such initiatives. Thus, in a relatively small town such as Newry, the UUP councillor had little knowledge of cross-border activities, because he was not on the appropriate committee. There was little evidence of spillover between the East Border Region Committee and the council as a whole. This absence of spillover is not necessarily a function of the sectarian divide in Northern Ireland. It reflects the planning systems in both areas, where there is limited co-ordination of activity.[3] For example, one observer has noted that "theoretically 187 agents could be operating in the same village [in Donegal] on the same day, oblivious of each other's presence and the strategies being proposed to meet local needs" (Barrington, quoted in North-West Study, Background Report, 1990, para. 709). Yet, the SDLP councillor interviewed was not a member of the East Border Region Committee either, but, as was shown above, this councillor reported the Committee's activities fully. This fact leads to the argument that the unionist perspective heightens the Unionist councillors' insularity.

This argument is supported by the UUP councillor's attitude to the EC in Newry. In contrast to the SDLP councillor's rhetoric, the UUP member argued that "there's not much EC presence here" (Interview, UUP councillor, 28.7.92). Whether or not this view is an accurate depiction of EC activity in Newry (after all, the examples of EC activity, cited above, are not numerous), what is noteworthy is that the SDLP and UUP councillors have a different perception of this activity. The difference runs deep. Thus, the UUP councillor claimed that: "the EC

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[3] North-West Study, Final Report, (1990), op.cit., p. 52.

brought money, but people would rather reach into their own pockets" (Interview, UUP councillor, 28.7.92). He added,

> I don't mind trading, but let it stop at that. The Republic shouldn't have any say ... Will the EC weaken the link [with Britain]? It would make me reserved about taking EC aid, because we don't know if it will weaken the link (Interview, UUP councillor, 28.7.92).

It is clear, then, that there is evidence that the EC's impact is less obvious upon those who are opposed to a united Ireland and that those who support the concept of a united Ireland greet EC-induced cross-border co-operation more enthusiastically. There is a qualification to this statement, however, namely, Sinn Féin. The unionist argument of EC-induced 'unity through the back door' would be all the more compelling if Sinn Féin also embraced the EC with the SDLP's warmth. However, Sinn Féin's response to the EC, at the time of writing, has been markedly different from that of the SDLP.

Again there is little evidence that Sinn Féin councillors diverge from the party line in their response to EC regional policy. Thus, the Sinn Féin councillor in Newry began by supporting the EC endeavours: "Further co-operation obviously makes sense, because its going back to the pre-1921 situation" (Interview, Sinn Féin councillor, 28.7.92). However, there followed a list of complaints about EC activity. The primary criticism made by the above Sinn Féin councillor was that no industry was located on the border and that tourism was not a sensible investment option, because it is dependent on weather, on other countries economic well-being and because it involves low-paid staff. The EC, it was argued, was investing mainly in tourism (Interview, Sinn Féin councillor, 28.7.92). A second point which was made was that the removal of customs barriers in fact undermined the economic interests of the border communities, because the black economy was a rich source of income for border area dwellers (Interview, Sinn Féin councillor, 28.7.92).

Another argument made by the Sinn Féin councillor was that the EC should help resolve the conflict by putting pressure on the British government to withdraw from Northern Ireland. The internal solution supported by the SDLP (whereby the communities in Northern Ireland are reconciled) will not work.

> This state was not built to deliver equality. The British are playing the role of referee, but they could resolve the conflict. The EC and the UN would realise that. I don't know if they have long-term ambitions to make the UK do that, but you're only delaying the inevitable by ten years. We should play a stronger hand now (Interview, Sinn Féin councillor, 28.7.92).

Sinn Féin policy is revealed in the above statement. The emphasis is on Britain as the root cause of the conflict and on the need for a speedy resolution of the conflict. The SDLP approach of supporting power-sharing and aiming for the gradual reconciliation of the two communities in Northern Ireland is also perceived to be too slow and doomed to failure as long as Ireland is not united. Similarly, the EC's role in resolving conflict by advancing cross-border co-operation is argued to be minimal and also to be too slow. Its only potential positive role is to remove the British presence from Ireland.

Nor is the concept of European integration perceived to be desirable by the Sinn Féin councillor

> I wouldn't like the EC to reach the supranational level ... Ireland is very limited and small. It would be a mistake to lose independence to the EC, having fought for it (Interview, Sinn Féin councillor, 28.7.92).

Similarly, a Sinn Féin councillor in Dundalk was sceptical of the EC and was tied so much to the traditional nationalist approach that the interview barely centred upon the EC at all, but moved in mechanical fashion to the main plank of Sinn Féin policy: removing the British presence. Again, the emphasis (when the EC did receive a mention from the councillor) was on the need for immediate action (Interview, Sinn Féin councillor, 1.7.92). The response to the EC belied an impatience: "You're getting an awful lot of talk about jobs. Where is it? ... When I see something concrete, I'll have an opinion" (Interview, Sinn Féin councillor, 1.7.92).

Therefore, the EC does not appear to have altered the perspective of those councillors who were interviewed from the extremist parties. This fact would seem to confirm the argument that the EC can have little effect in a deep and bitter ethnic conflict (O'Leary, 1990, p. 21). However, as the concluding section will show, there are different ways of interpreting the findings of this case study. Not all these interpretations are negative.

iii. Conclusion

On one level, the above findings bear the familiar trappings of national and sectarian politics and confirm the argument that the EC's role in Northern Ireland is yet another example of linkage politics. In other words from an examination of Fianna Fáil, Fine Gael, DUP, UUP and SDLP councillors reaction to EC-induced cross-border co-operation, it appears that "political party attitudes are then quite predictable" (Hainsworth, 1990a, p. 9) and councillors do not diverge from party policy. Consequently, local government cross-border co-operation, measured either by behaviour or rhetoric, is limited. Yet, as the next paragraphs show, the actual behaviour of the parties towards the EC's contradicts their rhetoric. Thus, there is scope for the EC to increase local government's cross-border co-operation.

It is arguable that the EC's effect on the Northern Irish parties is not a predictable one and that the prospect of increased aid from its regional funds pulls the DUP, the UUP and Sinn Féin into ambivalent waters. The UUP councillor, for example, preferred the prospect of "reaching into his own pocket" to that of receiving EC aid, if such receipt meant a united Ireland. He commended the performance of the local UUP MP in doing favours for the constituency and for providing a vital link with Belfast (Interview, UUP councillor, 28.7.92). There was a resolute satisfaction with how the system operated and a confidence that, if Northern Ireland did reach 'into its own pocket', the money would be there. Yet, the DUP councillor observed that he was "not happy with Europe, but while we're in it, we've got to milk the system" (Interview, DUP councillor, 5.1.93).

Unionist leaders milk the EC cow, whence the inherent contradiction in their response to the EC. The Sinn Féin councillors who were interviewed were also ambivalent in their approach to the EC, as is the Sinn Féin party. Thus, the councillors could not oppose EC regional policy, because such policy aimed to erode the economic border between Northern Ireland and the Republic. Nor could Sinn Féin councillors oppose the concept of EC integration when applied to Ireland. Yet, Sinn Féin opposed the principle of European integration.

Hence, Sinn Fein party members and councillors are caught between two interpretations of the EC. First, the positive interpretation that European integration means Irish integration and, second, the negative interpretation means that Irish integration within an

integrated European superstate is meaningless. The point is that it is ideologically difficult for Sinn Féin to object to EC regional policy, just as it is practically difficult for the UUP and the DUP to object to it. Thus, the Newry Sinn Féin councillor stated that EC cross-border endeavours were good in that they aimed to bring Ireland back to its pre-partition situation.

The implications of this Sinn Féin ambivalence again depend upon greater amounts of EC finance existing and also upon the efficacy of EC policy. Sinn Féin argues that EC regional policy in Ireland is not targeting industry, nor increasing employment sufficiently. Indeed, the Newry SDLP councillor who was interviewed also stated that more attention should be paid to the private sector, so as to create more jobs (Interview, SDLP councillor, 28.7.92). So too did the Fianna Fáil councillor on Letterkenny council observe that "the emphasis of the EC will have to change to job promotion" (Interview, Fianna Fáil councillor, 12.8.92). As long as the EC fails to increase employment in the border regions, Sinn Féin can continue to argue that EC regional policy, while theoretically having positive implications for Ireland, is irrelevant in practice.

Hence, increased local government cross-border co-operation depends greatly upon the existence of increased amounts of EC money for cross-border programmes and also for a wider EC policy to combat unemployment. However, the argument of this chapter remains that the EC does have a potential role to play in the Northern Irish conflict and one which entails the increase of cross-border co-operation. This potential role arises from the fact that there is a consensus of opinion between all the parties (Irish and Northern Irish) on EC regional policy. In other words, there is cross-national support, albeit grudging, for EC regional policy. This support is shared generally by councillors.

This examination of both MEPs and of local councillors leads to the finding that cross-sectarian party support exists for EC regional policy. In this way, party members are found to be aware of the EC's financial incentives. The fact that both unionists and Sinn Féin members offer this practical support to EC regional policy means that EC regional policy is one policy area where issue linkage does not necessarily occur. This result, as well as those of all the previous chapters, will be discussed in the next (final) chapter and the validity of neo-functionalism will be assessed.

Chapter Eight

Continuity and Change in the Cross-Border Relationship

Introduction

Each case study in this thesis tells its own story of the effect of EC policy on the Irish/Northern Irish cross-border relationship, yet general themes emerge from each chapter. In this concluding chapter, I draw these themes together and present the full picture of how the EC has affected the relationship between Northern Ireland and the Irish Republic. I argue that neo-functionalism and neo-realism share common ground, but that both also have weaknesses in their explanations for the effect of the EC on the Irish/Northern Irish cross-border relationship.

In the first section, I present a synopsis of the findings from each chapter. In section two, I present the neo-realist and neo-functionalist interpretations of these findings. Finally, in section three, I determine the strengths and weaknesses of each interpretation and provide an alternative interpretation.

i. The EC and the Irish/Northern Irish Cross-Border Relationship: 1988-1993

The picture presented by this thesis is of an historically complicated cross-border relationship. Northern Ireland and the Irish Republic, while lying in close proximity to each other and whilst sharing many common attributes, have not enjoyed a close relationship and have not co-operated closely with each other (chapter two). Political differences have been superimposed upon economic similarities and have stunted Irish/Northern Irish cross-border co-operation.

The EC has not simplified the Irish/Northern Irish relationship. On the contrary, it has introduced a greater complexity. Thus, whilst political conflict continues to claim its victims and whilst some interviewees had a predictable response to the concept of cross-border co-operation and did not separate their opinion of such co-operation from their opinion of the desired constitutional status of Northern Ireland, others provided evidence that the EC had stimulated them to engage in cross-border co-operation since 1987, regardless of their political persuasion. Continuity and change describe the EC's effect on the cross-border relationship for the period 1988 to 1993.

The EC and Irish/Northern Irish Cross-Border Co-operation: Empirical Conclusions

Figure 8.1 presents information on the level of cross-border co-operation that exists between civil servants, local councillors, MEPs, business groups and agricultural groups in Northern Ireland and the Irish Republic. Evidence of co-operation is divided into three categories. The first category refers to those cases where there is evidence of more widespread economic cross-border co-operation and of a dynamic movement in favour of such co-operation. The second category refers to the case where there is limited cross-border economic co-operation, but no evidence of a powerful thrust in favour of such co-operation. The final category is for those cases where political cross-border co-operation exists.

Figure 8.1: EC-induced Cross-Border Co-operation between Irish and Northern Irish Actors

Actor	Widespread Economic Co-operation	Limited Economic Co-operation	Political Co-operation
Civil Service	No	Yes	No
MEPs	No	Yes	No
Local government	No	Yes	No
Agriculture	No	No	No
Business Groups	Yes	N/A	No

For the *civil service* there is evidence of only limited economic co-operation. There are areas of civil service behaviour where, rather than a common interest existing, there is in fact a conflict of interests between Northern Ireland and the Republic. In particular, the Republic regards Northern Ireland as a rival not as an ally in the field of tourism. Thus, there is no substantial co-operation in such fields, because there is no perceived benefit from cross-border co-operation.

The resounding piece of evidence from the civil service case study is that only the Anglo-Irish division of the department of foreign affairs and the NIO are keenly interested in developing cross-border co-operation and have such co-operation high on their list of priorities. All other departments do not pursue cross-border co-operation and their

representatives firmly believed that cross-border co-operation is the concern of those officials who were involved in Anglo-Irish affairs. There was also the perception that the AIA had increased cross-border co-operation between civil servants more than had the EC.

Cross-border co-operation between *MEPs* was also limited. There was no formal economic co-operation, but there was evidence of informal corridor co-operation between Northern Irish nationalist and unionist MEPs on matters of common interest to Northern Ireland and the Irish Republic. There was also evidence of a practical consensus in support of EC regional policy and in defence of the CAP among Irish and Northern Irish MEPs. The EC was found to provide a forum where economic matters could be discussed by nationalist and unionist politicians and, thus, it provided an opportunity to engage in negotiations where the "game" being "played" by Irish and Northern Irish politicians was not zero sum. However, there was no evidence of political co-operation between Irish and Northern Irish MEPs, or between nationalist and unionist MEPs from Northern Ireland. Spillover from economic co-operation to political co-operation did not exist.

In a similar vein, co-operation between *local councillors* was also limited. As with civil service co-operation, there was little spillover between the activities of special cross-border committees and the general work of the councils. However, again there was a practical consensus among all interviewees in support of EC regional policy. Moreover, the work of cross-border committees had been given impetus by the EC. Again, the evidence was of limited co-operation, but not of widespread co-operation between Irish and Northern Irish councillors.

The case of *agriculture* was perhaps the most disappointing for would-be neo-functionalists. Despite the common threat posed by the reform of the CAP, there was no evidence of cross-border co-operation. The UFU preferred to lobby Whitehall and to concentrate its activity on the NFU based in London. Trade between Northern Ireland and the Irish Republic was low and the main aim of farmers organisations was to maintain farm incomes. There was little sign of dynamic strategic thought so as to maximise gains from cross-border co-operation.

In contrast, the chapter on *business groups* provides evidence that EC policy is affecting cross-border co-operation. Businesses are reacting to the creation of the SEM, perceiving it to be a threat and an opportunity. The increase in cross-border co-operation is not visible

across all sectors, but it is clearly evident in the behaviour of the CBI-NI and the CII. There is also increased cross-border co-operation between the Chambers of Commerce from Northern Ireland and the Irish Republic, between certain sectors of business, in particular in the construction industry.

On the other hand, there is only limited co-operation in the tourism sector. As for civil servants, those engaged in tourism in the Republic are not keen on developing links with their perceived rival in the tourist trade: Northern Ireland. However, small initiatives have begun to occur in the tourism sector. One individual business man also believed that large businesses did not perceive there to be much benefit to be made by co-operating with businesses in the Republic, because the Irish market was small. However, there was a general feeling among most individuals who were interviewed that the business community on both sides of the border was altering its behaviour in response to the SEM initiative. Cross-border co-operation was part of a strategy devised specifically because of EC policy change.

The EC is having some impact on behaviour in Northern Ireland and the Irish Republic. Only in one case was there no evidence of co-operation, namely in agriculture. In all other areas, there was evidence of co-operation in response to EC policies. However, in nearly all of these areas, the increase in cross-border co-operation was marginal. Only in business was the change in the cross-border relationship more widespread. Moreover, there was no evidence of political co-operation occurring on the basis of economic co-operation. No spillover occurred.

In many chapters, the point emerged that the *Commission* has a potential effect on cross-border co-operation. The practical consensus in favour of EC regional policy underlines the Commission's potential to provide financial incentives to increase economic co-operation between Northern Ireland and the Irish Republic. The policies initiated by the Commission in the 1980s have upgraded common interests between Northern Ireland and the Irish Republic. However, the chapter on the Commission reveals that it prefers to stand aside from the conflict.

There is no evidence that the Commission as a whole has a view or policy on Northern Ireland. Only its Irish and Northern Irish members focus their attention on the conflict. There is no extra money made available to help resolve the conflict or to help improve the Irish/Northern Irish cross-border relationship. The Commission in

general is largely confused by the conflict and follows the advice of the Irish and British governments. The AIA process is more fundamental in determining Commission policy on Northern Ireland and on the cross-border relationship. Logically, the AIA is thus a greater influence on the cross-border relationship than is the EC.

ii. Neo-Realism and the Cross-Border Relationship

In chapter one, neo-functionalist and neo-realist hypotheses were derived. The aim was expressed to determine which hypotheses best fit the case of the EC and the Irish/Northern Irish cross-border relationship. It was perhaps telling that of the four hypotheses derived only one confirmed neo-functionalism. This hypothesis proposed that economic co-operation increased between Northern Irish and Irish actors and that this co-operation spilt over to political co-operation. There was also the 'flux' situation where economic co-operation increased between actors, but there was no evidence of political co-operation existing. However, the possibility was that such political co-operation would occur at a later date.

Given the larger range of possibilities that confirmed the applicability of neo-realism, it seems as if the dice were weighted in favour of neo-realism from that first chapter. Indeed, neo-realism provides the most obvious account of the EC's effect on the cross-border relationship. Three neo-realist hypotheses appear most relevant from an examination of each case study:

1. There is evidence of increased economic cross-border co-operation, but this co-operation will not lead to political co-operation.

2. There is evidence of increased economic co-operation, but political co-operation has caused this economic co-operation. The EC has not caused economic co-operation. Spillover from economic co-operation to political co-operation does not exist. This hypothesis refers to the possibility that the AIA is the cause of change in the Northern Irish/Irish cross-border relationship.

3. There is no evidence of the EC increasing economic or political cross-border co-operation.

These hypotheses are applicable to two distinct levels of behaviour in Northern Ireland and the Republic. The first level constitutes the sub-national actors in Northern Ireland and the Republic: business groups,

agriculture groups, MEPs and local councillors. I call this level the micro-level of analysis. The second level constitutes the civil service and the Commission. This is the macro-level of analysis.

The first hypothesis seems to fit the case of business groups, MEPs and local councillors. Economic cross-border co-operation has increased between for these three groups (see figure 8.1 and p. 142). However, to date there has been no evidence of political co-operation. Business groups did not make demands for a common institution to govern administrative relations between Northern Ireland and the Irish Republic. Political aspects of the cross-border relationship remain a taboo subject and were perceived to hinder cross-border economic endeavours. Spillover from economic co-operation to political co-operation did not occur. Neo-realism appears to be a more appropriate explanation of cross-border co-operation.

Similarly, the first hypothesis can be applied to the case of MEP and local government co-operation. Here there has been limited EC effect on cross-border co-operation, but in the case of MEP activity, this effect has been very insignificant. Co-operation caused by EC policy among these groups did not spillover to political co-operation. Again, neo-realism appears to be an accurate description of the EC's effect on the cross-border relationship, because of the absence of the spillover. The second hypothesis can be applied to the case of agriculture, where there was no evidence of EC policy changes affecting the cross-border economic relationship. Thus, there was no opportunity for spillover to occur from economic to political cross-border co-operation.

The civil service and the Commission constitute the second key level of analysis in this examination of the EC's effect on the cross-border relationship. At this level, there is clear evidence that political co-operation is at the basis of economic co-operation. The evidence from interviews with civil servants and with Commission officials is that political co-operation through the AIA is fundamental in determining cross-border activity.

The EC plays a lesser role in civil service cross-border co-operation. As the AIA is a political agreement, political co-operation is the main influence on economic co-operation. Economic co-operation does not spillover to political co-operation, but, in fact, it is political co-operation which increases economic co-operation. Neo-realism is upheld, although I am not denying that the EC affects cross-border civil service

co-operation. However, EC-induced cross-border co-operation is limited to specific programmes and is not a general feature of civil service behaviour.

Neo-realism, then, is apparently confirmed in three ways:

1. The hypothesis that economic co-operation exists because of EC policy, but it does not spillover to political co-operation is validated by the case studies of business', local government's and MEPs' behaviour.

2. The hypothesis that the EC has altered neither economic co-operation, nor political co-operation is validated by the case study of agriculture.

3. The hypothesis that political co-operation between Northern Ireland and the Irish Republic spills over to economic co-operation and not vice versa is confirmed by the case of the civil service and of the Commission.

Neo-realists can explain these results in two ways. Co-operation can be explained by neo-realists by examining the specific incentives for co-operation that each group faces and by examining whether interests are maximised by cross-border co-operation. Secondly, cross-border co-operation can be explained by examining the intensity of each group's political preferences. Is one group more extreme in its political persuasions than another? If so, then overpoliticisation of economic issues exists.

Overpoliticisation refers to the existence of partisan issue linkage, whereby even economic cross-border co-operation will be opposed by unionists who fear that such co-operation is a political ploy to achieve a united Ireland. Economic cross-border co-operation is perceived to be a step towards a united Ireland. Thus, no cross-border economic co-operation occurs.

Of course, these two neo-realist reasons for the absence of cross-border co-operation in specific sectors are not mutually exclusive. Where overpoliticisation exists it is impossible for the relevant actors to examine economic interests in isolation from their political preferences. In contrast, where overpoliticisation does not occur, then, political interests are kept separate from economic interests and economically rational decisions are made in isolation from one's political beliefs.

Using these two reasons neo-realists can explain the difference in the level of cross-border co-operation undertaken by each group. For example, the level of business cross-border co-operation was higher than

that of agricultural cross-border co-operation, because the IFA did not perceive a need for cross-border co-operation, whereas both the CBI-NI and the CII did desire greater cross-border co-operation. Business groups perceived there to be a long run benefit from cross-border co-operation, whereas, agricultural groups did not, as illustrated beautifully by the example of Irish Milk marketing board suing its Northern Irish counterpart for calling its butter "Irish" butter.

However, apart from these different economic interests it also seemed likely that the UFU's political unionist tradition influenced its approach to economic cross-border co-operation. The UFU was traditionally close to the UUP, thus overpoliticisation of economic issues occurred at least up until 1984 (see p. 145). Neo-realists can employ both these factors, economic interests and political beliefs, to explain the absence of agricultural cross-border co-operation.

Similarly, in the tourism sector both the Irish department of tourism and Bord Fáilte think that they have much to lose from co-operating with the NITB and the Northern Irish civil service. These bodies do not wish to be hindered in their efforts to attract tourists to the Republic by the violence in Northern Ireland. They perceive the NITB to be a rival not a potential co-operator. Cross-border co-operation does not maximise their interests.

Neo-realists would also argue that local councillors co-operate less with each other than do business groups, because the amount of money forthcoming for such co-operation is small. For example, Sinn Féin councillors questioned the EC's effect on employment. All councillors pointed to the small size of the Interreg fund, as did government agencies, Commission members and civil servants. The benefit to be derived from cross-border co-operation was small. Moreover, it is possible that local councillors being political actors have a greater intensity of political preferences than do business people. For local councillors cross-border economic co-operation may be perceived to damage their political interests.

For each case study chapter, it is possible for neo-realists to attempt to explain the different levels of cross-border co-operation that exist for each group of actors, by highlighting whether each actor's interests are maximised by engaging in cross-border co-operation and by examining whether or not overpoliticisation of economic issues exists. However, the necessity that actors reap benefits from cross-border co-

operation is quite compatible with neo-functionalism. The neo-realist cost-benefit analysis of cross-border co-operation does not falsify neo-functionalism. Moreover, in the next section I show that the neo-realist hypotheses that overpoliticisation occurs can be undermined by a neo-functionalist interpretation of the results of this case study.

iii. Neo-Functionalism and the Cross-border Relationship

For neo-functionalists, common economic interests would lead to economic co-operation which in turn would lead to political co-operation. These common interests formed a prerequisite for co-operation, an essential condition, which if not satisfied would prevent co-operation from occuring in the first place. Because of this neo-functionalist premise, the neo-realist argument that there are insufficient benefits from cross-border co-operation is really just another way of stating that a key neo-functionalist condition for cross-border co-operation is absent.

Consequently, a neo-functionalist could argue that *if* his/her necessary condition exists, that is, if there are sufficient common interests between communities on both sides of the border, then the integrative process will begin. For example, farmers in Northern Ireland and the Irish Republic need short term tangible financial incentives before they will co-operate with each other. For neo-functionalists if these interests are created, then co-operation will occur.

The situation is one of flux, (figure 1.1), where economic cross-border co-operation is just beginning. It can develop even in spheres where there is little evidence of such co-operation at this moment, such as agriculture, and it may well spillover to political co-operation at a later date. Basic neo-functionalist logic remians strong. Add its key essential condition and this logic will unfold.

However, although the cost-benefit analysis of co-operation is a common feature shared by neo-realist and neo-functionalists, a neo-functionalist interpretation of this study can reject the neo-realist argument that overpoliticisation of economic issues prevents co-operation. For neo-functionalists, it is not the political conflict in Northern Ireland which impedes agricultural co-operation. This conflict is a potential constraint on *all* actors, not only on the UFU, yet different

groups react differently to this political constraint. For neo-functionalists economic factors alone explain these variations.

Neo-realism fails to take account of the fact that economic incentives can alter people's preferences even when those people are divided by an old political conflict. In this way, neo-realism underemphasises the rationality of citizens in Northern Ireland, for it assumes that new information and a new set of external and internal economic circumstances will not affect their behaviour. Because some groups are reacting to EC policy, even when these same groups have political beliefs which have traditionally impeded cross-border co-operation, and, because it is possible to identify the specific economic interests which have caused this new response, the overpoliticisation thesis cannot be upheld. One neo-realist hypothesis is falsified.

Any celebration of this result must be shortlived, however. It is glaringly obvious that the neo-functionalist spillover thesis has not been falsfied.

The Limitations of Neo-Functionalism: Political Cross-Border Co-operation

In each case study there was no evidence of the EC causing political cross-border co-operation. Instead it was the AIA, a political agreement and an example of neo-realist logic which was found to have had the most effect on the cross-border political relationship. Neo-functionalism fails to convince sceptics that EC induced economic cross-border co-operation can spillover to political co-operation.

For neo-functionalists, the absence of political cross-border co-operation can be explained in two ways. Either there are insufficient common interests between actors to cause economic co-operation and spillover cannot occur, or, at this moment in time, the situation is one of flux where political co-operation has not occured yet, but may occur later. (See Figure 1.1). This study takes place at the start of a period of change and cannot tap the eventual outcome of such transformation. As Community initiatives increase over time, political co-operation will also increase. For neo-functionalists, it is the Commission which is charged with the task of providing Community initiatives, so as to upgrade common interests between Northern Ireland and the Irish Republic. However, the Commission's weakness undermines the neo-functionalist case.

If the neo-functionalist premise of common interests is not present in all case studies then who is "to blame" for this absence? Neo-functionalists pointed to the Commission as "the up-grader of interests" and so if these interests are insufficiently up-graded, then the finger is firmly pointed at the Commission. The weak link in the neo-functionalist chain is not the existence of political conflict in Northern Ireland, but the Commission's weakness in the face of that conflict.

To be sure, the Commission upgrades common interests to the extent that it has devised common policies which offer an incentive for Irish/Northern Irish cross-border co-operation. The reform of the CAP, the SEM and the reform of EC regional policy all *theoretically* upgrade common interests between Northern Ireland and the Irish Republic. However, the Commission has not succeeded in upgrading common interests to an adequate degree. For many actors, these policies *in practice* were not adequate incentives for cross-border co-operation.

The Commission also falls short of neo-functionalist assumptions in another way. The Commission, for neo-functionalists, was to be a supranational institution which would mediate between national interests and would pursue the Community interest. In practice, the Commission does not behave as a supranational institution with respect to Northern Ireland (chapter three). The Commission's weakness is illustrated by the fact that it did not allow Northern Ireland to be included in Cohesion Fund set up under the Maastricht Treaty. Interviews with Commission officials showed that the Commission as an institution had no will to involve itself in a conflict it did not understand. It did not want to play a key role in resolving the conflict in Northern Ireland and, consequently, its effect on the cross-border relationship was curtailed. Thus, there is little possibility that present EC policies will eventually increase common interests sufficiently between Northern Ireland and the Republic, so as to attain cross-border political co-operation.

Most fundamentally, the Commission's policies do not *cause* political co-operation between Northern Ireland and the Republic. On the contrary, the AIA which was signed in 1985 is regarded by Commission members as being the main influence on Irish/Northern Irish political cross-border co-operation. The Commission was found to play a less than dynamic role in the Irish/Northern Irish cross-border relationship. The relative passivity of the Commission in its approach to

the conflict in Northern Ireland means that it does not live up to neo-functionalist standards.

Neo-functionalism is invalidated by an examination of the Commission and the civil service. Whereas at the micro-level of local government, MEP, business and agricultural activity, there was evidence of change in the cross-border relationship and of variations in the level of cross-border co-operation between these different groups, the interviews undertaken with Commission officials, permanent representatives and civil servants were fixed in the certainty that the AIA was the main influence on the cross-border relationship.

iv. Conclusion: Trespassing on Borders?

The case studies in this thesis falsify the neo-functionalist assumption that the Commission is supranational and that it is a dynamic force in the Irish/Northern Irish relationship. Spillover has not occured. On this basis, neo-realism has the upper hand in explaining the EC's effect on the Irish/Northern Irish relationship. As long as the Commission does not upgrade common interests between Northern Ireland and the Republic to an adequate degree, neo-functionalism is falsified.

The identification of two distinct levels of behaviour in this thesis means that the EC and the AIA can work together in a complementary fashion. There is evidence that overpoliticisation of economic issues does not occur at grass root level if sufficient incentives for cross-border co-operation exist. The fact that the AIA is a political agreement automatically politicises its endeavours to increase cross-border economic co-operation. In contrast, the EC as a detached agent has a freer hand to improve the cross-border economic relationship. Thus, both the AIA and the EC are geared towards different aspects of the Irish/Northern Irish cross-border relationship. Neo-functionalism has proved helpful in clarifying the EC's effect on one such specific aspect — the behaviour of sub-national actors.

At the start of this thesis, it seemed likely that I would find little of interest in an examination of cross-border co-operation. The task ahead was clear cut and the intention of falsifying neo-functionalism seemed easy enough. Conflict and deep-felt emotion in Northern Ireland were the constants, the 'dreary steeples', the eternal battlefield. The image of a place immune to change and implicitly of a people prone to

irrational hatred implied that the EC would have little impact on behaviour. Some also wondered whether I should bother with neo-functionalism at all.

However, this examination of the EC's effect on the Irish/Northern Irish cross-border relationship shows that not all neo-functionalist assumptions are whimsical. Continuity and change mark the cross-border relationship, for the period 1988 to 1993. Although this change is small, it has occurred because of EC policy. For this reason, this study is important for neo-functionalists. If neo-realism and realism are described as constituting a philosophical disposition, then this study shows how that realist disposition is overly pessimistic about the possibility of co-operation in a politically conflictual setting.

It is true that the conflict in Northern Ireland continues unabated, even if there are apparent signs in late 1993 of a peace process being initiated. However, despite the limitations of neo-functionalism, I have discovered that a pocket of "normality" in the cross-border relationship already exists in some sectors and that the EC has played a role in fostering it. Can the EC trespass on the psychological and political borders which divide nationalists and unionists? If pressed to answer this question, I could only reply as Chairman Mao did when asked to assess the impact of the French Revolution, "It's too early to tell".

APPENDIX ONE

Methodology

Choice of Organisations Examined

Much of the information in this thesis is obtained from interviews with key actors in Northern Ireland and the Irish Republic. The choice of which groups of actors to interview was governed by who might be expected to respond to the SEM, to the reform of EC regional policy and to the CAP reform. Neo-functionalists emphasise the role of economic interests in reacting to economic incentives for co-operation. Thus, I decided to examine the response of the business community and the agricultural community to EC policy initiatives.

At the same time, economic co-operation under the aegis of EC Special Programmes necessitates administrative co-operation. Consequently, I examine civil service cross-border co-operation. As neo-functionalists propose that economic co-operation spills over to political co-operation, it is necessary also to examine political actors in Northern Ireland and the Irish Republic. I examine the response of MEPs, two of whom in the Northern Irish case are leaders of the DUP and the SDLP. I also examine the response of local councillors in four border regions to the EC.

Obviously, an examination of MEPs and of local councillors is not an exhaustive study of political co-operation. However, given the slow pace of change in Northern Ireland, I am assuming that spillover, if it occurs, will occur very slowly. Consequently, I have chosen to study those political actors who might be expected to react most quickly to economic co-operation, if it exists. Local councillors are assumed to be in a position to recognise more quickly than party head office, EC incentives for cross-border co-operation, because they are in constant touch with their local communities in the border areas. They are in a position to judge at first hand the effect of EC policy on those border areas. Similarly, Irish and Northern Irish MEPs, by participating in a transnational forum (the EP), may be more removed from the ideological divisions which separate them at home. I assume that if political co-operation is emerging it will appear between MEPs in Brussels and Strasbourg.

There are groups of actors I have not examined, for example, the trade unions. Unfortunately, it was not logistically possible to include all groups of actors. The final decision of who to interview for each case study rested on certain assumptions. I explain these assumptions in each case study.

Choice of Individuals Examined

My choice of which particular individuals to interview was governed by my attempt to interview a representative sample of each group of actors. Where possible, I interviewed individuals with particular responsibility for or interest in the three policy areas: agriculture, tourism and transport. It was also useful to interview actors who were not specifically involved in any of these areas, but who had a general interest in local economic and political conditions. Consequently, I interviewed local councillors who were not members of any cross-border committees, so as to determine the more general effect of EC policy.

I attempted to interview Northern Irish and Irish officials who held equivalent positions in equivalent organisations, for example, the Irish and Northern Irish chairmen of the Irish and Northern Irish tourist boards. In the case of the Commission, I interviewed those Commission officials who were responsible for EC initiatives with respect to Northern Ireland and the Republic of Ireland.

Sixty six people were interviewed in total. For reasons of confidentiality, the names of these interviewees are not disclosed in this thesis. However, a record has been kept of each interview which indicates who has provided each of the direct quotes and other information. A list of interviewees has been forwarded to the external and internal examiners of this thesis.

Interview Format

I conducted semi-structured interviews with each actor for each case study. These interviews began with general questions, for example, "What common interests do you think exist between Northern Ireland and the Irish Republic in the transport sector?" As the interview progressed more probing questions were asked in response to each interviewees specific statements.

These questions related to existence of conflicts of interest and to the question of how the EC had, or had not, provided incentives for cross-border co-operation. Many questions were not pre-planned.

In general, the information given by an interviewee in one group of actors was confirmed by his/her colleagues and counterparts across the border. If contradictions did exist, these have been cited in each case study. I have been careful to base my theoretical arguments only on information which was provided by one or more interviewees and which was confirmed by other interviewees.

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