

Implementing The Good Friday Agreement 1999

NORTH-SOUTH ECONOMIC AND SOCIAL DEVELOPMENT, (Motion No 17 refers)

SECTION 1

Background

Levels of economic and social co-operation between North and South, have, historically, never been high. The social and political factors which had led to partition in 1921 did not lend themselves to the building of trust: on the one hand, the newly created Irish Free State was eager to demonstrate that it could stand on its own two feet without British assistance; on the other, many in the North felt antipathy towards the new state. The culture and demography of the North ensured that, after 1921, those in positions of influence were those with a political aversion to co-operation on an all-Ireland basis.

The relative performances over the past three-quarters of a century of the economies of the North and South provide instructive examples of the dynamics of the development of small regions. The spectacular growth of the industrialised north-east of the island centred on Belfast in the latter part of the 19th century seemed to leave it poised for continued progress after the island was partitioned in 1921. Indeed, there appeared to be every prospect that Belfast - already larger in population than Dublin at the turn of the century - would remain the dominant city on the island. The Irish Free State, on the other hand, was a mainly agricultural economic backwater with little in the way of modern manufacturing or of the traditions and skills that might encourage its growth.

Starting from an extraordinarily large manufacturing base (almost 30 per cent of total employment in 1926), policy in the North naturally continued to favour and sustain its main specialities - ship building, engineering and textiles. Unfortunately, developments in world markets had changed dramatically and as Britain's share of world trade in these products declined steadily so too did the North's.

The South, on the other hand, made use of the world-wide breakdown in free trade from the end of the 1920s to construct a manufacturing base from behind high tariff barriers. While it succeeded in producing a dramatic increase in manufacturing employment (from 7 per cent of total employment in 1926 to over 18 per cent in 1960), most of the new industries were doomed to remain backward, inefficient and uncompetitive, owing their survival merely to the existence of protective tariffs.

However, the circumstances which existed all those years ago began to radically alter in the late 1950s and early 1960s. In the South, new policies were developed reversing the protectionist policies which had shaped much of the state's industrial development. Instead the South sought inward investment and an influx of new ideas and working practices and sought to extend its exports far beyond Britain. Steadily, as a result, it has become economically strong, with growth of which most countries are very envious.

The North, meanwhile, has begun to lose its traditional source of industrial strength as the face of industry changed on a global scale. Not given sufficient political independence from London the North could not pursue policies more in line with the South which might have led to economic regeneration. Instead, with some notable exceptions, the North became increasingly dependent upon public sector employment which was, in effect, a subsidy from London. This insulated the North from any real need to develop new economic activity and to carve out a distinctive niche in the late 20th Century global economy. As civil unrest escalated and divisions in Northern society became more visible to the outside world major obstacles were created inhibiting inward investment on anything approach the scale being recorded in the South.

The result is that a modern enterprise culture is only in the early stages of development in Northern Ireland; approximately 33 per cent of employment is based in the public sector and 60 per cent of GDP is dependent upon the public sector. The public sector seems to value attitudes of safety and risk aversion, and attitudes of creativity and speculation are

frowned upon. For those who do have an enterprising nature, the requirement to obtain start-up funding from the public sector can sometimes stamp out that enterprise from day one.

To understand the structure and performance of the Northern economy in recent decades, we need to focus on three main aspects: the performance of manufacturing; the evolution of the public sector; and the operation of the labour market. In each of these three categories the North now differs in significant ways from regions in Britain and increasingly from the South.

First, the decline of Northern manufacturing from an historically high level mirrored the more general British process of de-industrialisation. However, the inflow of modernising high technology foreign direct investment into the North did not occur to the same extent as in other peripheral regions such as Wales and Scotland. Second, the growth of the public sector became both a substitute for expansion of private sector activity in manufacturing and in market services, as well as financial support for local demand for privately produced goods and services. Third, the Northern labour market, despite recent improvements, is still performing at lower levels of efficiency than neighbouring regions measured in terms of the overall unemployment rate, the rate of long-term unemployment, or the very uneven distribution of unemployment throughout its own sub-regions and communities.

Today there are clear structural weaknesses in the Northern economy and these represent challenges that will move towards centre stage as the institutional aspects of the Good Friday Agreement are implemented. These weaknesses are to some degree a legacy of the past industrial strength of the North, and have three main characteristics: a continued dependence on the traditional sectors like textiles, shipbuilding, clothing and footwear, which are particularly vulnerable to low-cost competition and changing demand; a deficit in education resulting from the structure of school curricula and under-achievement in some sections of the population together with a deficit in training levels that contributes to low productivity and high structural unemployment; the emergence of a structural dependence on the public sector to sustain employment as a consequence of an inability to attract high quality foreign direct investment in sufficient quantity to offset the decline in domestic traditional industry.

The difficulties that have been (and, to some extent continue to be) experienced by policy makers in the North as they tried to tackle these problems can be traced to three main causes: the unwillingness to make a break with previous areas of specialisation; the very limited degree of policy autonomy within Northern Ireland, which effectively prevents the emergence of region-specific policy variations from national policies designed to address region-specific structural problems; and the disruption caused by civil unrest and violence - together with collateral problems associated with increased labour market segmentation and discrimination - which made it difficult to mobilise resources of both private capital and labour to bring about fundamental changes.

A very different pattern of behaviour has evolved in the South. Exercising its policy autonomy, there was a dramatic break with protectionist policies from the late 1950s, and much of the artificially sustained inefficient indigenous industry was subsequently allowed to fail. However, the South created a tax-based competitive environment that was attractive to foreign direct investment, while simultaneously working over the longer term to improve the level of domestic physical infrastructure and human capital. These policies, after a slow start in the 1960s, eventually proved to be spectacularly successful, to the extent that about 60 per cent of manufacturing output in the South is now produced by foreign-owned multinational enterprises and the indigenous manufacturing sector demonstrates a renewed dynamism. Finally, the South was largely untouched by the destructive and disruptive aspects of the Northern violence. Where costs associated with the Northern conflict-related spillovers had to be borne, they were containable and occurred mainly in the areas of increased security in border areas.

Both the Northern and Southern economies now face competitive challenges in the years ahead as we are poised to enter the new millennium. The North urgently needs to embark on major restructuring away from the dominance of the public sector and low wage traditional industries in order to meet these challenges. The South needs to consolidate

and deepen the recent gains it has made, mainly by encouraging a more balanced growth performance of its indigenous manufacturing sector. For both regions, the external environment will be dominated by the Single Market and the deepening of that market after the start of the European Monetary Union in January 1999. Their history, geography and their common interests demand that they engage co-operatively with each other as well as with their British and EU trading partners to meet these new challenges.

Why this island needs co-operation and co-ordination

For too long the people of this island have had to suffer the costs and consequences of non co-operation in the political, socio-economic and business spheres. As an inexorable consequence of political strife within the North, we have been forced to select strategies that everyone now recognises as inferior. In the worst case - the strategy of an inter-communal "war of attrition" - this has been disastrous for all the people of the island.

Although we have now moved away from serious conflict, our relationships (within the North and between North and South) are still often characterised by perfunctory co-operation, and even by deep suspicion about the motives of "the other side". This drives us inexorably to perpetuate non co-operative strategies in our dealings with each other, leading to the so-called "prisoners' dilemma", i.e., since I believe that you will renege on any agreement made between us, I will get my retaliation in first. And since you suspect that kind of behaviour, you will not trust me.

It is now essential that the people of these islands move towards deeper and more consummate forms of co-operative behaviour and escape the trap of the "prisoners dilemma". Our dealings need to be characterised by better co-operation (i.e., joint activity towards shared goals); by co-ordination of our resources (i.e., mutually consistent responses to internal and external challenges rather than a beggar-my-neighbour zero-sum game); and by differentiation (i.e., the avoidance of mutually incompatible activities).

In nations and in regions where relationships are characterised by co-operation, co-ordination and differentiation, success breeds success and everyone thrives. The absence of these characteristics will condemn us to continued failure and stagnation. Our party's participation in the institutional arrangements of the Good Friday Agreement is not in pursuit of any narrow or selfish gain. Rather we will seek to operate these institutions to maximise the welfare of all the people of these islands rather than that of any particular group. We seek for a larger cake rather than a larger slice.

SECTION 2

Aims of a Co-ordinated Approach to North-South Economic and Social Development

The Northern and Southern economies face very different challenges in the years ahead. For the North these could be summarised as follows:

How big is the "peace dividend" likely to be and how will it affect the structure and performance of the economy?

There is a need for economic restructuring, involving expansion of the private sector (manufacturing, market services and agriculture) and shrinking the public sector (at least as a share of the total economy).

Within manufacturing there is also a need for restructuring, involving growth of the modern high technology sectors and reducing dependence on the traditional sectors, particularly textiles.

After three decades of violent conflict, labour markets have become segmented both geographically and along religious lines. The result has been the perpetuation of differential unemployment rates regionally and between the two main communities.

A series of rather different challenges face the South, the key ones being as follows:

The need to address capacity constraints (particularly in the labour and housing markets)

after an extended period of fast growth.

The need to balance the dependency on foreign direct investment with continuing growth in the indigenous sector to ensure the continued success of the Irish economy as part of the global economy.

The need to proceed rapidly with deregulation of public utilities (telecommunications, electricity, etc.) to ensure lower costs to the exposed trading sectors of the economy.

The need to address regional imbalances and problems associated with the relatively poor performance of the immediate cross-border areas.

In facing these challenges, the two regions also have rather different vulnerabilities. In the case of the North, these might be identified as follows:

The possibility of political and economic disruption during the process of public-to-private sector restructuring.

The possibility that there may be a human capital deficit in the transition from traditional to modern manufacturing.

The fact that much of Northern manufacturing is relatively low wage, low technology and low productivity.

The possibility of competitiveness shocks due to the sterling-Euro "fault line" after EMU, and in particular the dilemma this may pose for SMEs.

The fact that there is likely to be only limited scope for devolved regional policy innovation for the foreseeable future.

The constraints faced by the North due to the North-South policy mismatch and market completion problems with its nearest neighbour and a large export market.

Although there are some common vulnerabilities for both North and South, in the main the South faces a different range of issues:

The possibility that the lynchpin of wage policy (i.e., the Social Partnership) might break down under inflationary pressures in the labour and housing markets.

The fact that there will be a sterling-Euro "fault line" between the South's largest single trading partner after EMU and that a range of traditional labour intensive industries will be vulnerable to competitiveness shocks.

The need to rely on a continuing inflow of foreign direct investment, mainly from the USA at a time when there is likely to be slow economic growth in the industrialised world and there may be pressure to raise corporate tax rates.

The dependence on strong growth in the EU and derived demand for Irish exports.

As policy makers North and South face these challenges, the progressive centralisation of macroeconomic and monetary policy-making in Brussels and Frankfurt will result in a greater focus on the differential performance of regional rather than national economies within the EU. The difference between national success and failure will come to depend increasingly on the ability of regional economies to mobilise their resources and policy making powers to improve their competitive performance. Regions that do not already have such devolved powers within their own nation states, or who do not seek them, are likely to be at a severe handicap relative to regions that have extensive devolved or federal policy making structures and are prepared to use them wisely and creatively.

The strategic planning of the island economy needs to focus on three main issues:

What are the major external forces or trends that are likely to impact on small regional economies like the North and the South over the next ten years?

What are the key policy issues that any economic development strategy needs to address, given the nature of the Northern and Southern economies and the forces and trends identified?

What scope is there for North-South co-operation and what are the lessons for the future of the North to be learned from the recent dynamic economic development experience of the South?

The main driving forces of island economy growth

The following are the main forces driving economic growth and development, North and South:

The continuation of peace and arrival at a political settlement. Will peace unleash the suppressed potential for faster growth or merely prevent further decline?;

The need to continue to embrace globalisation and economic openness and to handle the economic and social challenges that this exposes;

The search for locally focused policies to improve the level of human capital and physical infrastructure on the island to meet competitiveness challenges;

The need to handle developments in the local policy-making environment that will require increased autonomy (in the case of Northern Ireland) and the progressive ceding of authority to EU institutions (in the cases of the UK and Ireland)

The goal in both North and South is to raise the level of GDP or GNP per head, thereby increasing local standards of living. Where does the North stand as it faces into the need to undertake this process? The delays in implementing the institutions of the Good Friday Agreement have been causing incalculable economic losses. Northern labour markets have become even more segmented and inefficient as a result of the sustained inter-communal conflict. And part of the legacy of political developments in Britain during the 1980s has been that modern "social partnership" arrangements have been slow to develop. The challenges are great. The time is short. We need to act now.

SECTION 3

The Good Friday Agreement

In 1998, the political parties of Northern Ireland and the Governments in London and Dublin reached a historic agreement paving the way for an end to violence and civil unrest, the restoration of political devolution in Northern Ireland and for enhanced co-operation between North and South, East and West. While the implementation of the Agreement has not been without difficulties, it represents the best and only way forward.

Strand Two of the Good Friday Agreement proposes the establishment of a North-South Council, led by the First Minister and Deputy First Minister from the North and the Taoiseach from the South. Ministers from both North and South will be required to join the Council as part of their duties of office. The Council will aim to achieve co-ordination across a wide range of important economic and social areas, and will meet both in full session twice a year, and in sectoral formats involving those Ministers with an interest in a particular issue or sector.

For the SDLP the establishment of a North-South Council was always seen as an essential element to the Agreement. Indeed, the Agreement notes that the Council and the Northern Ireland Assembly will be mutually inter-dependent and that one cannot successfully function without the other. The involvement of the Taoiseach and the First and Deputy First Ministers gives an indication of the importance attached to the Council by all parties that signed up to the Agreement.

A report by the First and Deputy First Ministers presented to the Assembly on January 18 1999 and subsequently endorsed in treaties between the British and Irish governments

lists a number of areas for the establishment of North-South implementation bodies and areas for greater co-operation to be overseen by the Council. It should be noted that these areas are simply the first to come under the remit of the Council; the Agreement makes it clear that new implementation bodies and new areas for co-operation may be agreed by the Council in the future.

Within the Council, economic and social development will be associated with Implementation Bodies for:

- Trade and Business Development
- Inland waterways
- Food safety
- Special EU programmes
- Language (Irish and Ulster Scots)
- Aquaculture and marine matters
- with the following areas for enhanced co-operation:
 - Tourism
 - Agriculture
 - Education
 - Health
 - Environment
 - Transport

The implementation bodies will be new, joint executive authorities directly answerable to the Council. The areas for enhanced co-operation will be served by existing government departments and agencies.

Each of these fields is covered in more depth in this paper, with a particular focus paid to economic development. The SDLP does not, however, see the list as exhaustive. Simply because an area of administration has not been mentioned explicitly in the list above does not mean that it cannot benefit from greater North South links. Whilst there has been a historic aversion to North-South links within certain parts of the unionist tradition, there is a potential for this to make way for a new pragmatism. This was exhibited quite clearly in the BSE cattle crisis: unionist farmers were quite willing to distance themselves from Britain and align themselves to Ireland in an attempt to have the beef ban lifted from Northern Ireland. Whilst some of the farmers might have been British, their cattle were definitely Irish! In other words, people will cooperate if they see a sufficient incentive.

Our task will be in demonstrating to people, North and South of the border, that co-operation developed through the maximum possible levels of co-ordination will be in everyone's best interests.

SECTION 4

All-Ireland Strategic Framework

Economic development in the North has been the subject of a recent DED report, Strategy 2010. This report correctly identifies the rapid globalisation of economic activity as the primary factor setting the future context for the Northern economy. It is one equally appropriate to economic considerations in an all-Ireland framework. The opportunities offered by globalisation are obvious - with international trade often growing at over twice the rate of local GDP - but these benefits can only be realised if the local economy can obtain access to external markets through having a high degree of competitiveness, measured in the very widest sense.

However, when Strategy 2010 turns to the international context for the Northern economy, it is apparent that it contains little or no new strategic thinking about the future relationship of the local economy with the external world. For a small regional economy like the North (or indeed, the South), any local perspective on the external economy has two distinct but complementary aspects:

To understand how markets in the external world are likely to sustain a buoyant demand

for exports from Northern Ireland;

To gauge the likely prospects of a range of external regions as potential sources of foreign direct investment (FDI) into Northern Ireland.

In a short to medium-term perspective the list of dominant export destinations and the sources of inward investment are unlikely to switch dramatically from the position today. That being so, the British market is likely to continue to be of central concern for the North since it is the destination of over half of external sales and the source of the bulk of inward investment.

The section of Strategy 2010 that deals with the British economy contains a crucial assertion that, unchallenged, could constrain the thrust of future economic development:

The main determinant of economic activity in Northern Ireland is the level of activity in the rest of the UK. An economic development strategy for Northern Ireland therefore needs to be set within, and be consistent with, the overall thrust of national economic policy (page 62).

This, in a nut-shell, is the development dilemma that we face in the North. On the one hand we can stick closely to British economic policy and institutional norms and jog along, sometimes above, other times below average growth performance, but with little prospect of rapid convergence to even the British average standard of living. On the other hand, we can seek out a politically acceptable degree of regional policy innovation that might offer some hope of growth in the Northern private sector faster than that in Britain.

The South, making use of its limited but crucial policy autonomy, followed the latter course from the late 1950s. Far-seeing policy makers under Taoiseach Seán Lemass took a strategic decision that the dominance of the British market (destination at that time of over 95 per cent of Irish exports) was unlikely to provide a suitable long-term context for Irish development and modernization. Tax varying (or, more precisely, tax re-balancing) powers were a crucial element of this policy, especially with regard to the attraction of inward investment. The centre-piece of the industrial incentive system was initially a zero rate of corporation tax and, in order to keep the public finances roughly in balance, this necessitated the maintenance of high rates of personal income tax and indirect taxes. Equally important were reforms in education, progressive improvement in infrastructure, evolution of social partnership arrangements, enthusiastic embracing of EU initiatives (EMS, the Single Market, the Social Chapter, EMU), and - after many false starts - the creation of fiscal stability.

The situation in the North is very different. The explanation of the recent aggregate performance of the Northern economy has been summarised as follows in Strategy 2010:

Northern Ireland and Britain share common fiscal, monetary and exchange rate policies; Britain is Northern Ireland's main external market and the (British) Exchequer makes significant transfers to Northern Ireland to enable the region to maintain UK level of provision (page 69).

The huge size of the British Exchequer subvention serves to influence every corner of the Northern economy. The subvention directly supports jobs in the Northern public sector to the extent of about 33 per cent of total employment, compared with 22 per cent in the UK as a whole (about the same in the South). The subvention also directly supports incomes of the unemployed, the retired and the sick, as well as providing a high level of public housing, health and education (over and above direct public employment aspects).

However, indirect impacts of the North's public sector activity on the structure and behaviour of the local private sector are of equal, if not greater, importance relative to the above direct impacts. The subvention finance sucks in imports, and explains much of the buoyancy of the retail sector. Northern manufacturing is predominantly made up of small firms, oriented mainly to supplying the domestic market, which is in turn sustained to a great extent by direct and indirect demand arising from public sector activity. For example, the fact that the Northern economy emerged relatively unscathed from the British recession of the early 1990s is due in the main to the size and cushioning effects of

automatic and discretionary public expenditure stabilisers. Indeed, the buoyancy of activity in Northern manufacturing relative to Britain is probably due in large part to the much higher level of subsidies and grants, and may have little to do with intrinsic local competitiveness. There is much more going on here than simply the provision of regional finance on the basis of regional need. Unless and until the pervasive nature of public finance in the North is better understood, analysis will be misleading, diagnosis will be flawed, and policy prescription will be ineffectual.

In a short to medium-term perspective the list of dominant export destinations and the Government policy, North and South of the border, must address growth and development within a context that takes full account of the physical, institutional and human resources of both parts of the island. At present, there is a perception that policy in the North centres around Belfast, policy in the South centres around Dublin and that cross-border activity should therefore relate almost exclusively to the Belfast-Dublin corridor. A much more comprehensive approach to planning is required and signs of it are beginning to emerge.

In the North, the Department of the Environment has published a regional strategy setting out the physical and service framework within which all Government Departments would base their policy. This strategy is a step towards an approach based on major and minor growth centres with Belfast and Derry as the two most significant growth centres, and listing a number of other "major service centres" and lesser "key service centres", viz.:

Major service centres: Coleraine, Ballymena, Antrim, Craigavon, Newry, Enniskillen, Omagh

Key service centres: Ballycastle, Ballymoney, Larne, Newtownards, Downpatrick, Banbridge, Armagh, Dungannon, Cookstown, Magherafelt, Strabane, Limavady

Development of public policy in a wide range of fields, including industrial investment, transport, tourism, housing, etc. is intended to sit within this regional framework, while noting in a number of sections the need to consider cross-border issues within regional development. While the selection of growth and service centres can be debated the approach is a positive way forward.

In the context of North-South development, an all-Ireland development framework is required, which sees cities such as Belfast and Derry in the context of other Irish cities such as Galway, Limerick, Cork, Waterford and Dublin, and sets major service centres such as Ballymena and Craigavon in the context of their Southern counterparts such as Cavan, Dundalk, Letterkenny, Monaghan Sligo, as well as towns further south such as Athlone.

It is only in such a context that planning major infrastructural developments especially in road and telecommunications, energy and in key public services such as health and education can most effectively be developed.

The development of such a strategic framework must be an early priority of the North-South Council. Whilst the development of this strategy must not be allowed to delay the establishment of the cross-border implementation bodies or delay work commencing on the areas for co-operation, it is only within the context of such a framework - in conjunction with the local level strategic plans - that the various bodies can operate to their full potential, as the Agreement itself says - to the benefit of all people, North and South of the border, regardless of their community background or political viewpoints.

Local initiatives

Regional planning at the macro level needs to be complemented by similar approaches at the micro or local level, particularly in border areas. Some evidence of such an approach is evident in the co-operative initiatives being taken by the local authorities in border areas. Derry City Council, for example, has published an integrated economic development strategy (January 1999) which sees the potential for Derry building upon its role as the urban hub of North-West Ireland. For example, Derry is seen as a potential staging post for tourists between the North Antrim Coast and the Donegal Atlantic Drive. In terms of industry, it is seen that linking development of the Limavady-Derry corridor to that of the Letterkenny-Derry corridor would be beneficial to the whole of the North-West. Given

existing enterprises together with the location of three third level institutions in the area, Magee College and The North-West Institute of Further and Higher Education in Derry itself, and the Institute of Technology in Letterkenny, the creation of a strong high-tech industrial base is seen as a key industrial focus. The strategy proposed the establishment of a Regional Liaison Group to co-ordinate economic planning in the Western Region of Northern Ireland and the North-West cross-border area - i.e. co-operating with neighbouring districts and counties.

An example of this in practice can be found in the Newry-Dundalk corridor. When Heinz located a plant in Dundalk, this provided potential employment not only for people of North Louth, but also for people in South Down and South Armagh. There was scope to generate even more employment in servicing those who worked in the plant. Over the past few years, Newry has become one of the North's success stories, in terms of raising living standards and increasing economic activity. It is difficult to say how much of this success has been attributable to developments in the North and how much to developments in the South, but it is certain to be a bit of both. With a combined South Down, South Armagh and North Louth economic strategy, the area would have potential to develop even further. With the establishment of the major Xerox plant outside Dundalk further scope for cross-border co-operation is also being provided which should involve educational and training agencies as well as enterprise development groups to ensure that the down-stream benefits of such a huge investment benefit communities on both sides of the border.

Strategic planning of a similar kind can be seen in the work of Central Border region embracing Monaghan, Cavan, Leitrim, Sligo, Armagh, Fermanagh and West Tyrone.

On another level, local economic development strategies have the potential to propose co-operation on an infrastructural level, lobbying for increased funding for cross-border roads, telecommunications links, energy links, public transport links, water supply and so on. Border towns might then no longer be seen as on the periphery of their communities but, rather, at the heart of own communities.

The SDLP will continue to urge all councils in border districts to develop integrated economic development strategies which see co-operation with neighbours as a positive factor and competition against neighbours as a negative factor.

SECTION 5

Implementation bodies

In this section we look briefly at the role of the Implementation Bodies and at the areas for enhanced co-operation to identify the particular contributions can be made in each towards maximising the benefits they can bring to people and their communities North and South.

Trade and business development

The Trade and Business Development Body will exercise an important range of function with a focus that will be very much 'value added'. It will have responsibility for a number of specific operational schemes, such as administering a programme to enable companies undertake joint product and process development projects of commercial benefit; implementing a Science and Technology awareness programme on a North-south basis; an innovation award scheme on the same basis. It will also have a role in relating to increasing the competitiveness of the business environment in both parts of Ireland, especially in such areas as e-commerce, the Information Society etc. In addition the Body will be required to bring forward proposals on the development of a North-South equity investment fund programme.

With the 'Celtic Tiger' predicted to continue its onward progress, markets for northern goods and services will continue to expand, provided that price and quality are right. To take full advantage of these prospects North-South co-operation must be central to a new economic strategy. Already, private enterprises and public authorities have achieved a great deal and have revealed the scope that exists for further co-operation. At present North-South trade figures indicate considerable scope for increase, especially by northern businesses into southern markets, mainly in the small to medium sized sectors.

The introduction of the Single Market in 1993 removed the last significant administrative barriers to cross-border trade. Since then trade between both of Ireland has increased by 56 per cent with a 72 per cent increase in north to south trade and 46 per cent in south to north trade. In spite of this cross-border trade remains much lower than that between comparable neighbouring regions elsewhere in the EU.

Obstacles to increased trade remain and include attitudes towards such trade in itself, the lack of information about market conditions in both parts of Ireland, limited co-operation between business associations in both parts of the island, telecommunications gaps, transport deficiencies both in infrastructure and pricing. In the medium to longer term, however, increased trade will depend on the extent to which northern industry modernises, complements and perhaps creates synergies with that in the South.

In business development the experience of Enterprise Ireland is being closely watched on the northern side in order to determine what lessons can be learnt. Serious weaknesses at management level currently inhibit the considerable scope for development and expansion in many northern enterprises. To these weaknesses can be added the low levels of research and development across much of the North's industrial base. Long overdue attention is beginning to be paid to the need to establish incubation and innovation units with strong links to university research centres. However, given the high costs involved, the full potential for the commercial exploitation of industrial research will only be realised through closer co-operation between all of Ireland's research institutions. The North-Council will be in a position to play a crucial role in promoting such co-operation.

It will be essential that this body work very closely with the major interests involved throughout Ireland if it is to have a positive impact. The many initiatives taken to encourage North-South commercial links by organisations such as the Irish Congress of Trade Unions and its Northern Committee, as well as those by the CBI, IBEC and Chamberlink on the employers' and business side, identify these as important interests to be consulted.

Inland waterways

This implementation body will assume responsibility for the Shannon-Erne Waterway immediately upon its establishment as well as for all of the islands currently navigable waterways. The Body is empowered to engage in promotion, including marketing and development, of the tourism and commercial potential of these waterways.

The reopening of the Erne-Shannon waterway demonstrated that inland waterways could make viable ventures and could benefit from North-South co-operation. The Waterway has been a resounding success. On average over 3,500 boats per annum have used the Waterway since it opened in 1994, bringing an average of 14,700 visitors to a remote and disadvantaged area each year. The needs of these visitors are serviced by 17 boat hire companies with a fleet of nearly 800 craft. Their expenditure has had a major impact on the area, opening up - for the first time - new opportunities for development and alternatives to emigration. Shannon-Erne Waterway Promotions Ltd. estimates that the Waterway has stimulated £30 million private investment in the region. The best available estimate is that each year visitors spend £7.7 million in the region, expenditure which would not have occurred without the investment in the Waterway. This recurrent expenditure is sufficient to sustain over 300 full time equivalent jobs, quite apart from that involved in the construction of new hotels, restaurants and visitor facilities.

(Colin Stutt Consulting, Shannon-Erne Waterway Evaluation, 1998)

This success suggests the more navigable water we have, the better. In the North, we should aim to develop a network, which potentially could include a reopened Ulster, Newry and Lagan canals together with the navigable sections of the Bann with links to Loughs Neagh and Erne. With links to the South, this would be a formidable attraction serving areas in County Down, North Monaghan and East Tyrone, which hitherto have been relatively underdeveloped in terms of tourism.

Food Safety

This Body will be principally charged with tasks involving food safety awareness -through campaigns, conferences, training and advising professionals and the general public. It will be involved in supporting North-South scientific co-operation, and links between institutions working in the field of food safety - laboratories, statutory food safety enforcement agencies, international and domestic research bodies. Its remit will also include the promotion of specialised laboratory services in both parts of Ireland.

In both parts of Ireland agriculture and whole agri-food sector are of such importance and now, to a considerable extent, operate on an all-island basis that a Food Safety Agency is urgently required. Many countries have lurched from one food safety crisis to the next for much of the last 20 years, ranging from scares of botulism, listeria, salmonella, E-coli and new variant CJD up to the present vacillation over Genetically Modified Products. In the British context each of these crises has been badly mishandled, with contradictory positions by manufacturers, consumer groups, the medical profession and government spokesmen. Each crisis has also suffered from a lack of co-ordination by the Agriculture, Trade, Health and Environment Departments, with each Department appearing to pass the buck to other Departments and no-one attempting to co-ordinate advice, policy or activity. This cannot be allowed to continue and the establishment of the Food Safety Body will go a considerable way to ensuring a new priority for safety in the whole agri-food business.

Example

At the start of the BSE crisis, the matter was the responsibility of the Ministry of Agriculture, Fisheries and Food (MAFF) in London. The rationale for this was that BSE was an animal disease; the disease was therefore investigated by veterinary scientists, who had little knowledge of human health. They concluded that the disease stood absolutely no chance of transferring to the human population. As soon as one person was found to have contracted new variant CJD, the human form of BSE, the Department of Health was able to become involved and legislation was enacted within a week. Moreover, this then allowed the Department of Health scientists to research the disease properly. Rumours then followed that BSE had infected the water table in Kent, which fell to the (then) Department of the Environment to investigate. Now, attempting to restore overseas confidence in British beef seems to be falling between MAFF and the Department for Trade and Industry.

In Northern Ireland, responsibility was similarly shifted from Department to Department, although, in practice, the English line had to be adopted in all cases to avoid NIO ministers undermining their colleagues in Westminster Departments.

Special EU programmes

The Implementation Body for EU programmes will have significant managerial and oversight functions in relation to the new Community Initiatives under the post-1999 Structural Funds (INTERREG III, LEADER III and EQUAL). The Body will also have responsibility for monitoring and promoting the implementation of the Common Chapter in the new Development Plans of the two administrations. The Body's importance has been significantly enhanced by the recent decisions of the European Council to allocate funds for a new Peace Programme - the North-South elements of which will fall to the Body to implement.

To date, Ireland, North and South, has benefited very much from European Union funding in a wide range of sectors. However, Europe is changing fast and the focus is increasingly moving away from individual nation state members of an Economic Community towards smaller regions within a more united whole. This change makes a large number of people nervous and has made some nation states slower to adapt than others. In particular, Britain has chosen to stand slightly aloof from the new arrangements, failing to join the Schengen Agreement, failing to join the fledgling Euro currency, and signing up to the Social Chapter very late in the day. However, the SDLP sees the change as being inevitable and, indeed, a positive development which will enable Europe as a whole to compete on a global level with the likes of the United States of America, Japan and South East Asia.

As Ireland moves away from its Objective 1 Status and as the European Union expands

further into the former Soviet Bloc, it is vital that Ireland as a whole is able to collaborate and pull together in the lobbying for new funds. Co-operation within Europe can work; the Peace and Reconciliation funds have been used on many cross-border projects and have been used within the North on cross-community schemes. Now we need to build upon these foundations.

Language

Cultural diversity should be viewed as positive by any society and should be encouraged and supported. Ireland as whole shares a rich and diverse cultural heritage, one which has many notable and internationally recognised qualities. That heritage embraces language, all of the arts, sport, and religion. Notwithstanding its power to bring people together, too often the distinctive features of our cultural heritage have divided, among those have been language.

Northern Ireland, the Irish and Ulster Scots communities have sometimes used their languages not only as an expression of their own history and identity, but as a challenge to the other community. Yet a knowledge of our linguistic heritage can promote understanding, respect and reconciliation.

This will inevitably require this heritage being made part of the mainstream of cultural life so that it becomes accepted into school curricula, onto television and radio, and into the printed word. No one political ideology should be allowed to have a monopoly on our combined heritage and culture.

Our Irish language heritage is part of the cultural life of the whole island and the implementation body can enable each part of the country to draw from experience and developments in the other. This will include education, the media, community life, publishing etc.

The Ulster Scots community might also look to the South to gain practical ideas and draw from the experience of those who have been involved in the promotion of Irish within the English speaking communities. Although the Ulster Scots might find more natural allies within Wales and Scotland, they could nevertheless recognize that the South has been successful in rescuing the Irish language from extinction and bedding it firmly in the national psyche.

The SDLP will also press for the implementation body to take up the causes of the British sign language and the Irish sign language. Both these languages exist in their own right and are used by sizeable numbers of people, North and South, as the primary language. Hitherto, communication with the deaf community has largely relied upon deaf people to learn to communicate in a spoken or written language. This has led to a large number of people feeling alienated by a society that makes little or no effort to communicate with them on their own terms. Signing should be available as a recognised language course in schools, both North and South, and qualifications in them should be recognised as language qualifications for university entrance purposes.

Aquaculture and Marine Matters

The more specific remits of the Aquaculture and Marine Implementation Body will focus on the overall development of Lough Foyle and Carlingford Lough in terms of their commercial and recreational potential. The Body will also assume responsibility for the lighthouse service around the whole of the Irish coast.

Fish do not respect territorial boundaries; in Lough Foyle, Carlingford Lough and the Irish Sea, they are content to swim from the jurisdiction of the North to the South and back again, impervious to the political sensitivities of those who live on the shores. By the same token, marine pollution does not remain within one jurisdiction.

Europe first began to develop directives on quality for bathing water in 1975 and on marine pollution in 1978. In 1984, studies indicated that there were alarming levels of mercury and cadmium pollution in the Irish Sea. More recently, scares have emerged regarding the levels of pollution in seas from sewage. Following on from these studies and

scares, European co-operation on marine pollution has grown, particularly in relation to the North Sea and the Mediterranean Sea. The Irish Sea has been largely ignored by Europe, perhaps because it affects primarily only two member states, one of which is responsible for most of the pollution, and the other of which has had a small, weak voice.

The Aquaculture and Marine Matters implementation body will have the power to investigate the state of our seas and to take steps to ensure that neither North nor South pollutes the shared seas. Moreover, a shared Irish voice would have more impact in calling for Britain to meet its responsibilities, particularly within the British-Irish Council proposed in Strand 3 of the Good Friday Agreement. Other European states have reached accords and treaties regarding aquaculture and marine pollution; we now have the opportunity to do the same.

The implementation body has the potential to improve the quality and quantity of fish stocks off the coast of Ireland, and also to improve the quality of beaches and seas in tourist resorts. There is also the scope for pooling the limited existing marine research resources in both parts of Ireland thereby using them more effectively.

SECTION 6

Areas for enhanced co-operation

Tourism

Tourism is flourishing in the South. Ease of access combined with low fares have resulted in tourism there reaching an all-time high. All year round, Dublin entertains an enormous number of tourists from Europe, the United States and further afield; small towns such as Westport, Ennis and Tralee buzz all summer long to the sounds of different languages; foreign car number plates are a common sight. Meanwhile, in the North, the prevalence of sectarian symbols and the constant negative news stories over the past thirty years have combined to practically eclipse our own tourist industry. This has done untold damage; tourism brings not only revenue but also cultural diversity, improved amenities and infrastructure, improved attitudes to customer service and increased likelihood of inward investment. Conservative estimates indicate that in a climate of peace and political stability the North could more than double its tourist industry. But this requires a sound tourist infrastructure and sound marketing.

The more accessible entry points to the island are in the South and while the North must continue to develop its own, for the foreseeable future the greater number of tourists will continue to arrive in South. At present, however, they tend to stay there. Equally, the few tourists that arrive in the North will tend to stay in the North for the duration of their visit. Whilst this may in part be due to constraints of time and distance, it is probably also due to the lack of integration between services in the North and South and a lack of information at each end.

Under the auspices of the North-South Ministerial Council a publicly owned limited company by Bord Failte and the Northern Ireland Tourist Board subsuming the Overseas Tourist Marketing Initiative (OTMI) will work to ensure fully coordinated international marketing initiatives. The company will promote tourism in the context of an integrated marketing strategy for the whole island. Tourism is the single northern industry to have been most adversely affected by the violence and instability of the past thirty years. As a result the potential for expansion in the North, estimated to be a least a doubling of present levels, is considerable.

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

Training for the tourist industry is critical and the South has a long established tradition of excellence in this regard. In recent years training for the industry has been undergoing rapid change. It is now opportune to have regard for much closer levels of co-operation between training providers North and South to ensure that the highest standards are

common throughout the island. Joint accreditation throughout the island should also be sought to facilitate labour mobility within the industry.

Transport

The availability of efficient and competitive transport services is fundamental to the expansion all forms of social interaction, from business to tourism, from recreation to maintaining and developing ordinary friendships. Transport infrastructure in Ireland as a whole is poor and lacks any detailed, long-term strategic planning. Most significantly the expansion of cross-border trade since the early 90s, combined with growth in tourism, has illustrated the shortcomings in infrastructural needs, whether with respect to road, rail, sea or air links. Main roads are often slow, narrow and in a poor state of repair. Train lines are slow and disconnected while air and sea routes are developed in both parts of Ireland without regard to what is happening in the other.

Example 1

Our two largest cities - Dublin and Belfast - are 103 miles apart. Now we have "high speed" trains, they are just over 2 hours apart by rail. The Balbriggan bypass has made a 3 hour road journey a realistic prospect. And we are all delighted by this. But, in certain other Western European countries, 40 minutes by rail or 90 minutes by Motorway could connect the two.

Example 2

To travel from Derry to Cork by land - some 266 miles - would take at least 8 hours by train and would involve a change of trains in Belfast and a trek across Dublin to change stations. The journey could, however, take 10 hours if traffic in Dublin were slow. Ulsterbus claimed that it would take 10 hours to get from Derry to Cork, changing in Omagh and Athlone. They thought it might be quicker via Dublin, but they did not have access to timetables for services between Dublin and Cork. In other European countries, this journey could take under 2 hours by train or 4 hours by Motorway.

What is required is a closely co-ordinated and integrated investment plan covering all major aspects of transport. Public transport

Ireland - North and South - is about to lose its EU Objective 1 status. A transitional deal has been established for five years where we still have the opportunity to use European funds. These must be targeted wisely towards developing an infrastructure that links the major cities of Ireland. This can be achieved only on an all-Ireland basis - for example, there would be little strategic value to the North in improving the road from Enniskillen to Belcoo, and little value to the South of an improved link between Sligo and Blacklion. However, if the two were upgraded together, the Sligo-Enniskillen route would benefit both by allowing two isolated regional towns to function as a single economic unit.

The overall goal must be to develop genuine infrastructural links between Ireland's major cities and key service centres - e.g. Larne to Rosslare via Belfast and Dublin, or Derry to Cork via Galway and Limerick. At present, doubters will say that there is insufficient demand to justify expenditure on such a scale. However, there is no demand because such travel has never been dreamt possible. Experience in Britain and other European countries has shown that as transport links improve, demand for them will increase. This should be striven for because a population on the move is a sign of economic activity and exchange of cultures and ideas.

Cross-border public transport has much scope to be improved - not solely between Newry and Dundalk. As the North-South Council, local authorities and the Trade and Business Development implementation body try to develop economies in border areas, it will be increasingly common for people to live on one side of the border and work on the other. Whilst many people who live in these border areas have access to private transport, others do not and it is they who are most in need of an economic revival in their areas. Without access to public transport, they are liable to remain socially excluded from the revival - this cannot be allowed to happen.

Agriculture

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

The agriculture industry in Northern Ireland is in a crisis state at present; this is acknowledged by the Ulster Farmers Union and the Northern Ireland Agricultural Producers Association. The farming communities in the North have been hit with food scares such as BSE and Newcastle disease, leading to bans on exports and dramatic decreases in domestic demand. Up to this point, policy from the Department of Agriculture for Northern Ireland has been inadequate in meeting the needs of the farmers in the North; instead the policy has followed an almost exclusively Britain line. This ignores fundamental differences between the industry here and in Britain. In Britain, farming is a much smaller sector of the economy - perhaps only a quarter of the share of the economy it enjoys in Northern Ireland. Farms have been built up and merged over the years, leading to relatively few farming units, each enjoying enormous economies of scale and each supporting a wealthy owner and a handful of labourers. The "one man and his tractor" model and the concept of a village owing its living to the countryside have become confined to one or two exceptional areas.

In Northern Ireland, the employment pattern in rural areas is different. Many farmers run small farms, some of which do not employ non-household members. Fields are small, and farms are generally livestock based. Policies which are appropriate for Britain are often inappropriate and sometimes harmful to our own agriculture industry.

Farming in the South has historically followed a similar pattern to the North, with small farms and a livestock base. We have much to learn from the South; at present, for every job directly related to agri-food production in the North, 11/2 other jobs in the rural economy are supported. As the agri-food industry is squeezed, we are in danger of losing those jobs together with the farming jobs, leaving our rural communities to exist either as dormitory areas for workers in the local towns or as ghost towns akin to those deserted in the last century. Northern Ireland needs a radical new approach to agriculture and rural development, and this approach will be hard to stimulate without drawing ideas and co-operation from the South.

The Trade and Business Development Implementation Body will have a key role to play in developing a "Brand Ireland" for agricultural produce. Ireland as a whole is perceived on a global basis to be clean and green; this offers our farmers a ready made opening into the rapidly expanding quality and eco-friendly niche markets. For this to happen, we need an all-island policy on Genetically Modified products - preferably to limit their development to confined and insulated areas to prevent cross-contamination with natural crops.

We need agreement through the British-Irish Council and from the European implementation body to pursue common objectives in reforms to the Common Agricultural Policy in Europe and to ensure that our agricultural industry does not suffer yet further through the expansion of the European Union. The farming industry of the North has a weak and divided voice in Westminster but, by joining forces with their counterparts in the South, Scotland and Wales, they will have a greater chance of their views being carried forward into Brussels.

Education

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

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

At university level there is an urgent need to foster co-operation and co-ordinated planning. Students should be encouraged and facilitated to engage in meetings and exchanges through a carefully devised collaborative network. The SDLP believes that it would benefit all students if there were greater numbers of students from the South who studied in the North and vice versa. Indeed, the SDLP expects demand for this from the students themselves. To facilitate this, the SDLP will call for the North-South Council to consider the wider availability of exchange schemes, whereby students at a northern university are offered the opportunity to study at a southern university, and vice versa. for at least one semester of their course.

The scope for a co-ordinated approach to research is considerable. Already many university departments, North and South, engage in joint projects but as a renewed focus on applied research evolves in both parts of the island, so too there is a need to intensify co-operation. The Council could become an important means of mobilising support for such initiatives and should consider the establishment of a North-South research committee, a committee which could develop close links with any similar initiative under the aegis of the British-Irish Council.

In the field of school teaching and teacher training, the benefits of greater linkages between the teaching sector and the employment sector has long since been recognised. There are further benefits that could accrue from North South partnerships, with teachers exchanging for a year between schools, or for teachers to take secondments to the private sector. This cross-fertilisation of ideas and cultures can only benefit pupils, North and South, and will lead to schools being able to make an even greater contribution to the future economic prosperity of Ireland. The SDLP will therefore press for the North-South Council to develop exchange schemes for teachers and to build in an all-island element into teacher training and into school curricula.

Health

Health is seemingly one of the most obvious areas for North-South co-operation but, ironically, one of the most problematic. Healthcare in the North is generally free at the point of delivery. Exceptions may be found in prescription charges, dental charges and restrictions on the availability of free ophthalmic services, but health service hospitals and GPs do not charge Northern Ireland residents at the point of delivery. In the South, however, such services would attract charges and many residents of the South therefore take out some form of health insurance.

Matters are further complicated by the development in the last 20 years of the "internal market" in the North's Health Service. Put simply, this sees hospitals and GPs acting as providers, whose services are purchased by health boards on behalf of the patients (consumers). Some GPs (fundholders) receive devolved budgets from the health boards and purchase healthcare directly from hospitals or provide it themselves to patients. The internal markets were designed to offer improved quality, choice and value to the patient. Indeed, it has provided this for the few patients whose GPs are able to work the system. However, in most instances, the new systems have provided only additional paperwork and employment to a large tier of health service managers. By prior arrangement, it is possible for residents of the South to receive healthcare treatment in the North and vice versa, but administrative and charging arrangements deter practitioners from making use of this facility.

Nevertheless, proposed changes to the provision of services in the North, coupled with ongoing changes to provision in the South, make some form of co-operation a necessity. For large areas of Donegal, for example, the obvious choice of local hospital would be Altnagelvin, Tyrone County or Erne. The irony is that at least one of these hospitals is scheduled to lose its acute services due to lack of demand for its services. Equally, for people living in border areas of the North, public hospitals in Dundalk, Monaghan, Manorhamilton, Cavan and Sligo might well be more convenient than the hospitals that will

be deemed their "local" hospital once the latest round of closures is completed.

As medical knowledge continues to grow, and as new technologies come into being, there is scope for sharing equipment and specialists, perhaps by establishing a single centre in Ireland for certain types of treatment, or by having the equipment and specialists making outreach visits, or by making greater use of tele-medicine. Senator George Mitchell has already launched a co-operation initiative on cancer services, linking the North and South to the USA; this is a start upon which we can build.

Anecdotal evidence suggests that some residents of the South already make use of healthcare services in the North by using addresses of friends or relatives in the North, or by not signing off their Northern GP's list when moving to the South. This is illegal, but is difficult to police and it apparently affects all parts of the North, not just the immediate border areas. The reasons behind this cross border treatment are probably related to the difference between the charging policies of the North and the South, which would probably not be altered by greater cross-border co-operation. Nevertheless, greater co-operation might make some attempt to legitimise this practice with an appropriate element of payment made for it.

One of the factors emerging from the deplorable bombing of Omagh in 1998 was the lack of strategic planning for emergencies. A tremendous amount of goodwill emerged, with doctors, surgeons, nurses and others offering their services to help the injured. This goodwill spread throughout Ireland, but in some cases, the lack of a strategic plan led to these volunteer services being used in inefficient ways. Even in a peaceful future, there will still be the scope for a major industrial accident or an environmental catastrophe. The two health departments have a duty to co-operate in developing emergency planning at local levels to get the best possible medical care to casualties as quickly as possible, regardless of boundaries of jurisdiction.

Health promotion in the North currently appears to operate in isolation from the rest of the world. The Health Promotion Agency sometimes gives the impression of being a handful of people trying desperately to make an impact on our health affecting behaviour. The work that the Agency is able to do is laudable, but it is a small drop in the ocean of changing habits of a lifetime. On an all-island basis, however, health promotion could benefit from combined publicity material, greater personnel, shared pools of research. Moreover, the Irish Health Promotion would be able to access material, expertise and experience from Britain through concordats between the DHSS in Belfast and the Department of Health in London, the Scottish Executive in Edinburgh and the Welsh Assembly in Cardiff. The SDLP will urge the North-South Council to look at ways of creating a synchronised Irish Health Promotion system, perhaps through the establishment of an All-Ireland Agency.

It is not uncommon for a motorist from the North to be involved in a traffic accident in the South (or vice versa). As things stand, a resident of the North may be treated in hospital when visiting the South (or any other part of the EU) under European rules as though they were at home. However, this involves tortuous bureaucracy and paperwork; the basic routine is:

- patient is treated
- patient is presented with bill
- patient writes to DHSS enclosing bill and E111 form, requesting cancellation
- DHSS acknowledges receipt of correspondence
- DHSS passes correspondence to Longbenton, Tyne and Wear
- Longbenton liaises with health board in the South to cancel bill
- health board writes to Longbenton, confirming cancellation of bill
- Longbenton notifies patient that bill has been cancelled
- annual transfer of funds between Dublin and London to balance books

At no stage in this process is there a mechanism to transport a sick patient back home for continuing treatment unless the patient had travel insurance. However, had the resident of the North been hospitalised whilst travelling in Britain, free transport home could have been made available. There are tales of clandestine forays by ambulances across the border, or of handovers on the border from one ambulance to another. This behaviour

belongs more appropriately in the realm of spy novels rather than in Ireland as it prepares to enter the third millennium.

The SDLP will call on the North-South Council to establish a direct mechanism to allow for emergency treatment of residents of the North whilst travelling in the South (and those of the South, travelling in the North) to bypass European protocol. We will call on the Council to put an end to the bar on returning patients across the border by ambulance. In short, we will call for the introduction of a little common sense into the process.

Clearly, there are no simple answers to the issue of cross-border healthcare co-operation given the very different administrative arrangements in the North and the South. Nevertheless, in the interests of providing a comprehensive health service for people in border areas - many of which suffer already as a result of their remote locations within their own respective jurisdictions and their sparse population, co-operation is the best long term strategy.

Environment

The environment is a shared resource; it is shared between North and South, it is shared from generation to generation and it is shared on a global basis. Ireland has been threatened by fallout from Chernobyl; our climate is threatened by global warming and our seas contain poisonous substances. Our rivers cross and recross the border and when polluted the effects are evident wherever they flow.

In the agriculture section of this paper, the concept of "Brand Ireland" was proposed. This branding should encompass an environmentally friendly theme which, in turn, would be dependent upon an all-Ireland environmental strategy. This strategy would cover issues such as waste management, curbs on pollution levels, water quality, etc. on an internal basis. However, on an international basis, a united voice of Ireland could carry far more sway than the North and the South acting independently. As noted in the aquaculture and marine matters section, we could lobby Britain more effectively on the levels of radioactive waste emanating from Sellafield; we could lobby in Europe for the protection of our air and our seas.

The North-South Council will have the scope to build heritage, national parks and protection of wilderness areas into an environmental strategy. It will have the scope to impose recycling requirements on local authorities whereby separate dustbins could be provided for metal, glass and paper. Such schemes have worked in Scandinavian countries, which have led, in turn, to clean, green images. We can do the same.

In the SDLP's 1998 Assembly Manifesto, we gave a commitment to developing an environmental strategy based upon the principles of social justice, harmony, sustainability and bio-diversity. We view each of these strands as being necessary, not optional. We will therefore press to have these principles built into the core of an all-Ireland strategy that the North-South Council will develop.

SECTION 7

Energy

Co-operation on any level, and particularly between the North and the South, cannot realistically be considered solely in terms of six implementation bodies and six discrete areas of enhanced co-operation. Instead, it is a way of life; a mindset that we must develop and nurture if we are to realize our full economic and social potential. Whenever a new policy issue comes to the fore, we need to ask ourselves whether we could benefit from closer North-South co-operation.

Energy is a case in point. Whilst energy was not one of the areas listed for an implementation body or closer co-operation, recent developments have pointed it up as one of the most vital areas for co-operation. Put simply, Ireland is not big enough to sustain more than one energy market. Economies of scale would point to the clear logic of a single, all-Island market for energy. This is highlighted in the Department of Economic Development consultation paper - "Vision 2010 - Energy Action Plan", which places the

creation of an all-Island energy market as the top priority. All the other recommendations lead either to or from this single market.

Within a single market, there is scope for a number of exciting projects. Plans for the extension of the natural gas pipeline South wards from Belfast and across the border as well as to the North-west and beyond are, at last, being advanced. The viability of these plans has been strengthened by confirmation of extensive find in the Corrib gas field off the coast of Mayo. An all-island natural gas network is the likely outcome, the development of which will require considerable consultation within the North-South Ministerial Council.

There is further scope to link up the Northern and Southern electricity supplies. While, there are difficulties in linking the privately owned energy market of the North with the publicly owned energy market of the South, these problems will reduce as de-regulation evolves in the South. The DED strategy talks in terms of developing an all-Ireland action plan by February 2001 with a view to agreeing the steps that need to be taken, North and South, to create an all island energy market.

SECTION 8

Conclusion

This paper concerns itself primarily with the benefits to the North of closer co-operation with the South. This ought not to mask the fact that the South stands to gain also from closer co-operation. A glance back at the prisoners' dilemma model shows this to be true.

The relationships between North and South; between Britain and Ireland; and, between all the Regions of Europe have become outmoded and outdated. They need to be re-evaluated. The Good Friday Agreement will bring us new structures to address the potential new relationships. The concept of a North-South Council and firm structures to ensure that co-operation is co-ordinated has been welcomed by business, community groups, the trade union movement and academia, both North and South. Now the wider public has to be convinced, and they are likely to be convinced primarily by tangible results. We must be ready to make the best possible use of those structures; the SDLP believes that this paper shows the way forward. **The Prisoners' Dilemma**

The prisoners' dilemma is an obscure problem from the field of mathematical psychology. Essentially, it sees two prisoners in the Sultan's dungeon, each accused of some horrible crime. If both prisoners remain silent, both will go free. If one betrays the other, the betrayer will go free and receive 1000 dinar reward for his work, whilst the other will be executed. If each betrays the other, both will receive 50 lashes. If you were one of the prisoners, your pay off matrix would be:

The other stays silent

The other betrays you

You stay silent

free

death

You betray the other

free + 1000 dinar

50 lashes

Regardless of what the other prisoner does, you would be better off to betray him; i.e. the bottom line of the matrix is always better than the top line. However, the other prisoner is in the same situation. Each prisoner will betray the other, and each will receive 50 lashes - as the logical conclusion. However, each would have been better off had they had a pact to

remain silent - i.e. to co-operate.

In a sense, this is similar to the nature of co-operation between North and South, or, indeed, co-operation between Northern Ireland and any other area. Looking out purely for ourselves by ruthless competition may be the better short term option in any given situation. However, if both parties - North and South - can agree the deal at the outset and then stick to it, both parties - North and South - stand to gain in the long term.

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