

After Brexit:

10 key questions

for rural policy in Northern Ireland





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After Brexit: 10 key questions for rural policy in Northern Ireland

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A minority of people living in Northern Ireland voted in favour of the United Kingdom leaving the European Union, with 56 per cent voting to remain. Now the region will face particular challenges in the wake of Brexit. Northern Ireland is the only part of the United Kingdom with a land-based border with another European state and which is still fostering a tentative peace process; the working out of Brexit poses potential threats, not only to the economic future of society, but to the region's political stability.

Legislation in Northern Ireland has been considered far-reaching in how it tries to ensure equality between different socio-economic groups. As part of the European Union, the region receives c£350 million every year in agricultural and rural development payments; the Rural Development Programme implemented through this legislative framework has provided resources which have shaped socio-economic interactions, bringing about a positive response from communities and a readiness to interact and consult.

Common membership of the European Union has meant ease of movement and trade, no passport checks, and no border controls or customs posts between Northern Ireland and the Republic of Ireland. A return to such controls - and the days of crossing points on country roads manned by the police forces north and south of the border - would represent a seismic shift, not only in how the mainly rural residents both sides of the border pursue day to day activities, but also in their emotional consciousness. Employment, trade, links with family and friends would all be affected. Moreover, regulation affecting all aspects of people's lives could be radically different on each side of the border and there is a risk of unintended and unforeseen consequences. Maintaining quality of life for people in Northern Ireland and ensuring acceptable economic, social and environmental outcomes for these residents must be a priority for government at every level. Most importantly, none of these outcomes, including the rural economy, is likely to prosper against a background of civil unrest.



1

Who should lead on policy for rural areas?

As in other parts of the European Union where departments of agriculture have taken on a wider rural brief, Northern Ireland's Department of Agriculture, Environment and Rural Affairs (DAERA) initially focused on agriculture, then assumed responsibility for rural development in order to administer the Rural Development Programme. In this role DAERA worked closely with a number of key stakeholder groups. The department has a Rural White Paper Action Plan and is currently promoting rural proofing. Rural proofing of policies across all departments is sometimes held up as a superior model for ensuring an equitable approach across rural and urban areas, and is now a legal requirement in Northern Ireland, extending to non-departmental public bodies, but this too has weaknesses. Some rural services seem out of place in DAERA planning – health and education facilities in rural areas receive little attention, for example. We also need to acknowledge that rural areas are not invariably disadvantaged, and an equitable approach may not always be one that assumes such disadvantage. Brexit will inevitably give rise to changes in the systems of governance and regulation, and give rise to reconsideration of where leadership and responsibility for rural development should rest.

Policymakers need to consider:

- Is DAERA best placed to lead on rural development or should responsibility be shared more widely?
- If a single department does not have lead responsibility, who will ensure rural issues and stakeholders are given appropriate consideration? Is a rural champion or a new, appropriately designed and designated rural council needed to hold authorities to account?
- Are different levels of governance at national, regional and local scales adequate for the tasks to come and should these be embedded in planning at national level?
- Could local government play a stronger role in rural development, bringing valuable experience of delivering rural development programmes, cross community representation and encouraging local communities to take a lead?
- How can Local Action Groups and spatial planning be aligned most effectively?
- Is this an opportunity to encourage stakeholder groups that represent broader interests to be involved in shaping rural policy?

2

How can good relations be maintained in and between communities in Northern Ireland?

Northern Ireland has made great progress during and since the peace process of the 1990s. There is acceptance across communities that all should be involved in decision making, including development in rural areas where populations may be dispersed. The LEADER approach, developed from the European Union Rural Development Programme, has brought communities together and they have responded very positively. Communities from historically different traditions and complex identities have demonstrated a willingness to work together and contribute to the discussion. A joint recognition of rural assets by rural communities has outweighed religious tensions. Following Brexit, it will be vital to maintain this openness and ensure commitment in both government and third sector organisations, at national, regional and local level, to building positive relationships and involving communities in a shared future.

Policy makers need to consider:

- How can links already created be maintained, and how might the experience of projects initiated and funded by the European Union feed into future plans?
- How can dispersed rural communities best be engaged in conversations to identify need in areas such as health, education, housing, employment, and encouraged to collaborate in finding community-driven solutions? Which department or agency will be responsible for supporting capacity development within rural communities?
- What role should local, regional and national government play, and how might they work positively at each level with non-governmental organisations to promote good community relations alongside wider social and economic objectives? What might be the function of new local government structures in this process?
- Will institutions such as universities also have a role to play and how might they work with private, public and third sector organisations to form innovative new partnerships that facilitate economic and social development?
- How can we ensure that rural communities are not “left behind” economically?

3

How can the challenges of borders and boundaries be addressed?

Even twenty years on from the Good Friday Agreement, and in spite of evidence that residential segregation has declined, it still exists, and is by no means a purely urban phenomenon. Historical tensions manifest in some border areas and European Union investment has been used to help address questions of shared space, racism (which sometimes makes immigrant communities a target) and community relationships via the PEACE programmes, the International Fund for Ireland, and other funding streams. Smuggling and other illegal activity has also taken place in border areas in the past, and the reintroduction of customs payments would doubtless create the conditions for this to flourish again, creating a background of criminality that could foster community and cross border tensions. Different standards of regulation in a wide range of areas could also cause environmental problems. For example, applying the European Water Framework Directive to water quality on one side of a river is not helpful if a different standard applies on the opposite bank. The same situation applies to climate mitigation. Such discrepancies could cause friction and possible abandonment of standards locally, with even more serious environmental consequences.

Policymakers need to consider:

- How can border implications continue to be addressed and what lessons may be learnt from initiatives previously funded by the EU? Should funding for at least some of these be maintained?
- What cross-border agreements might potentially be put in place in order to ensure consistent environmental standards so that negative consequences are avoided?

4

How can Northern Ireland maintain its competitiveness and also its collaborations within the region and across the border?

Rural areas are an integral part of the economy and society of Northern Ireland. Access to markets is essential to the success of any business, and connectivity is key to the survival of rural Northern Ireland and border communities. Border regions have, by the very nature of their locations, tended to suffer economically relative to other cities and towns. At present broadband connections are poor and physical connections by road are essential. The loss of a Common Travel Area would potentially mean the reintroduction of passport checks that could impede workers trying to reach their workplaces, as well as customs checks that would affect trade.

Policymakers need to consider:

- What measures need to be put in place to ensure both digital and physical connectivity is maintained across the border, and what further developments are required?
- What lessons could be learnt from EU funded initiatives, not only about creating jobs and other economic measures, but in assisting social cohesion and encouraging collaboration between organisations, and should some similar scheme be implemented?



5

How can particular problems posed by patterns of land ownership, human behaviour, and spatial geography be overcome?

The current pattern of human behaviour, land ownership and development takes little account of the border, and applying tariffs and customs payments poses challenges. The border counties of Northern Ireland and the Republic are closely integrated economically, spatially and culturally. Not only do residents in each state cross the border frequently for work, leisure, shopping etc, there are farms that straddle this boundary, and goods being processed may cross several times. Environmental assets and ecosystems are not limited by political borders. If regulation of, for example, water quality or animal health and welfare ceases to be uniform in both states, an obvious potential arises for distorting markets and even for conflict and disruption of supply chains.

Policymakers need to consider:

- Would it be useful to investigate the possibility of EU “free zones” or “special trade zones” along the border, where business rates and taxes would be lowered to compensate for increased costs; or would this be likely to distort land prices; or be ruled out by laws on competition?
- What are the opportunities for firm and sectoral level “smart specialisation” initiatives, which reduce the requirement or frequency of cross-border transactions but which facilitate continued trade?
- How can the beneficial flows of people, goods and services be encouraged and the problematic flows such as smuggling and pollution be minimised?

6

How will Brexit affect rural/urban interaction?

The rural development programme for the United Kingdom has been largely premised on the development priorities for the European Union, but Brexit offers an opportunity to look at this afresh, leading to the development of a more nuanced approach appropriate for Northern Ireland. Geographically Northern Ireland is small, and has a population of fewer than two million people. Although much of its landscape is rural, not all of the countryside can really be judged to be remote. Town and country are, therefore, linked in many respects, both within Northern Ireland and across the border with the Irish Republic. Residents generally say they enjoy living in the countryside and satisfaction with rural living is high, with 89 per cent of people saying it provides a healthier environment in which to live, and 70 per cent rating it as having better community spirit than urban areas. At the same time, rural people's lives may depend on commuting to towns to work, as well as visiting urban areas regularly for a wide range of other activities. People may live in a rural area on one side of the border and work, shop, bank, and access health facilities in a town on the other. If Brexit brings border controls and customs posts back, this will disrupt everyday life and cause many personal difficulties. It may, on the other hand, offer an opportunity to consider how rural development is supported, and whether rural policy should be approached differently.

Policymakers need to consider:

- Are rural areas deprived in comparison to urban centres or is deprivation a separate issue?
- Should we be looking at inequalities in a wider context that goes beyond rural and urban?
- How might rural-urban economic and social linkages and movement be maintained after Brexit, particularly where these are cross-border?



7

How can innovation be supported and rural development encouraged?

For businesses across the United Kingdom, Brexit will bring new challenges and some potential opportunities, but Northern Ireland will have to address specific issues related to its history, spatial geography and economy. The rural economy in particular is dependent upon small enterprises, many within the agri-food sector, and on close trading relations with the Irish Republic. Interconnections between agri-food, tourism and the rural economy, and how cross-border connections function, must be taken into account in any consideration of rural development. If the agri-food industry is to flourish and grow, new sources of support are likely to be required as European Union funding is withdrawn, and consideration needs to be given to the needs of the industry, particularly in relation to skills demanded and the requirements for upskilling. Niche local products such as crafts and foods have had some success in developing markets, but more could be done. There may also be untapped export markets that can be explored. If the rural economy is to flourish after Brexit, all communities need to engage in fostering a culture of innovation and entrepreneurship around new products, services and processes. Small businesses are particularly important to local economies and they risk being disproportionately affected if they have no voice in the process of Brexit, or if the agenda is driven solely by large multinational companies. The rural economy is unlikely to prosper against a background of civil unrest; initiatives such as LEADER have been significant in helping to bring communities together, and providing a secure basis for economic development.

Policymakers need to consider:

- What should be the role of local government in driving forward rural development and supporting innovation as they take on new responsibilities?
- How can all communities be engaged around developments?
- How can small businesses be given a voice in planning for a post Brexit economy?
- How can equality of opportunity be ensured while innovation is encouraged in all communities?
- What skills training for existing and emergent industries might be particularly relevant in rural areas?
- How can both access to, and the rights of, migrant workers be protected?
- What support will be required from all levels of government?



8

How will Brexit affect the agricultural industry and what needs to change?

Agriculture is an important industry in Northern Ireland but, as in the rest of the United Kingdom, growth in productivity lags behind other countries. Defra figures show that UK Total Factor Productivity in agriculture grew by an average annual rate of only 0.5 per cent between 1990 and 2013, compared to more than 2 per cent observed for all developed countries over the same period. Brexit opens up the possibility of increased competition, tariff costs, market volatility and removal of subsidies, and therefore increases the urgency in addressing this productivity gap. In Northern Ireland farms tend to be small, with many holdings financially vulnerable, and it is unclear what effects these changes might have on farm structures. Many hill farms are already operating on the edge of viability, and although to date many farmers regard their work as a lifestyle choice, and may indeed be subsidising the farm via other household income, it seems unlikely that this could continue to the next generation if the agricultural trading environment deteriorates significantly. Meanwhile, without the free movement offered by the EU, it may not be possible to employ the seasonal and longer term agricultural labour traditionally sourced from other European countries. Technical efficiency will become key to success of the surviving businesses. Overall, Brexit may bring a seismic shift in the agricultural industry that could offer opportunities to reconsider policies at national level, and for individual farms to restructure, but could also involve threats to livelihoods, communities, the landscape, and the environment.

Policymakers need to consider:

- How can restructuring of agriculture to close the productivity gap be supported after Brexit? What support could or should be made available to farmers investing in technology or restructuring? How can it be targeted effectively?
- What opportunities might there be to encourage and support new entrants into farming and innovation amongst new and existing land-based businesses? What education and training do they require to embrace innovation?
- What will the consequences be, not only for farmers leaving the industry, but for farming families, and what training, employment creation or other support might be necessary to ease their transition into other sectors?
- How can succession planning be supported and encouraged?
- To what extent are other industries such as tourism dependent on access to the farmed landscape, and what would be the ecological and economic consequences of rural areas, particularly those in the hills, either being maintained in alternative management systems or being taken out of production entirely?
- Would alternative investments such as in forestry or sustainable energy assist or impact negatively upon local communities?
- What role do local government area plans and third sector organisations, including trade unions, need to play in transitional arrangements, including ensuring support for agricultural workers from the EU who have settled in Northern Ireland?



9

What measures are needed to ensure essential services in rural areas are not compromised?

At present there is significant cooperation between Northern Ireland and the Republic of Ireland, including sharing of public services. This is particularly important in rural areas where access may otherwise be limited. Such cooperation has also achieved economies of scale in specialist areas. Health is one example where, not only may patients be living on one side of the border and accessing facilities on the other, but professionals may be making an equivalent journey to work. Local communities need to be involved in finding solutions to these challenges and a local focus on developing them will be required. There is also a single electricity market supplying the Republic of Ireland and Northern Ireland and the implications of this will have to be explored by suppliers and regulators.

Policymakers need to consider:

- Can key partnerships between organisations be maintained or even initiated to ensure continuity of services?
- Can cross-border agreements be made in order to continue to exploit economies of scale in supplying essential services and how might this be achieved?
- What part can local government play in developing these services and ensuring access? Are they able to provide a locally focused perspective in a way that national government cannot?
- What might the implications of changes to the single electricity market be for renewable energy ventures on farms that were supported via the Rural Development Programme and what effects could this have on farm incomes?
- Are there lessons to be learnt from other countries that share a border with the European Union? What service sharing arrangements might exist in such situations?

10

What does the loss of EU funding mean for Northern Ireland and what are the risks and opportunities for rural areas?

During UK membership of the European Union Northern Ireland has derived considerable financial benefit from European subsidies. Agriculture in Northern Ireland currently receives EU direct support and rural development funding of approximately £350 million per annum. Farming is a highly subsidised industry under the Common Agricultural Policy and because the Northern Ireland economy relies so much on agriculture, it has derived particular benefit from this. LEADER funding has been available for more general rural development, via the Local Action Groups. The Rural Development Programme also supports environmental initiatives undertaken by farmers and land managers. At the same time there has been closely targeted funding from initiatives such as the PEACE programme, specifically supporting peace and reconciliation and promoting economic and social progress. This funding stream in particular acknowledges the links between economic prosperity and good community relations. After Brexit, such sources and levels of support could change radically.

Policymakers need to consider:

- Should there be a deliberate policy to replace specific funding streams, and if so should these come via the devolved government, where should they be targeted and who will administer them? How will it link to a national policy framework?
- As local government takes up new responsibilities what part should they play; and if Local Action Groups continue to operate do they work best when embedded in local government as they function at the moment?
- How can fairness and equity be applied in funding allocations across different communities?
- How can we ensure that evaluation is carried out in a way that measures both economic and social benefits, rather than a simple measure based on job creation?



Contributors



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Centre for Rural Economy

Established in 1992, the Centre for Rural Economy at Newcastle University specialises in interdisciplinary social science and applied policy research oriented towards the achievement of sustainable development in rural areas. Topics covered include rural employment, rural policy, farmer and consumer behaviour, rural tourism, environmental management, and rural communities and organisations.

Drawing on a team of over 50 social scientists, including economists, geographers, sociologists, food marketers, political scientists and psychologists, it is one of the most significant groupings of rural social scientists in Europe. In 2013 the excellence of its research and teaching was recognised by the award of a Queen's Anniversary Prize for Higher and Further Education.

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