The EU and the Irish Border: Shaping Aid and Attitudes?

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Introduction

This paper examines the value of the European Union (EU) in promoting conflict resolution in Northern Ireland through its support for all-island economic activity and institutional structures. It suggests that conflict resolution activity of supranational institutions is most successful when grafted onto clearly defined, existing cross-national structures of cooperation. In the Irish case, the considerable raft of EU spending under the auspices of the Peace I programme has been supplanted by even greater conflict resolution expenditure under Peace II. The second wave of EU expenditure has been directed in part towards the cross-border Special European Union Programmes Body (SEUPB) established as an executive all-island institution under the 1998 Good Friday Agreement (GFA).

The channelling of EU conflict resolution aid into designated bi-national structures has important implications for current and future EU efforts at ameliorating border conflict. This paper highlights three key dimensions of EU input, not always direct, into conflict resolution in Northern Ireland. Firstly, the EU may facilitate economic and political cross-border co-operation, by shaping bi-national agreements and institutional structures in a manner designed to elicit maximum EU support. The EU thus provides a structural influence upon conflict resolution. This paper suggests a) that the cross-border activity promoted by the European Union exceeds that developed thus far under Strand II, the all-island element of the GFA, and b) that Strand II cross-border cooperation is developing along an EU model, attempting to harness existing EU projects. Secondly, the EU may play a successful role in reconfiguring contentious borders by placing demands upon previously competing user groups in civil society to cooperate across borders and divides within civil society, in order to maximise financial support. As such, contestatory rivalries between ethno-national groups are displaced by shared clientelistic relationships with the EU. Thirdly, the EU may provide a changed context for political parties to address questions of national sovereignty, evidenced in this paper by the considerable change in Sinn Féin policy towards the EU.
These factors amount to a substantial role for the EU in diminishing arenas of previous conflict, or suspicion, in Ireland. The EU’s role may create a fourth dimension of conflict diminution, the fostering of a greater sense of common identity across national borders; a European identity may develop among Irish citizens North and South of the border, whilst a shared sense of Northern Irish identity within Northern Ireland, as opposed to previous, polarized ethno-national British-Irish divisions, may be emerging. EU-influenced developments in this sphere are, at most, however, embryonic.

**Political background**

Although this paper suggests that EU cross-border economic aid has been an important factor in ameliorating conflict, there are more direct explanations of why a thirty year (in its latest phase) war was replaced by peace, albeit of an imperfect, armed variety. Explanations include the transformation of Irish republicanism from militarism to constitutionalism; the renunciation of Ireland’s constitutional claim to Northern Ireland; the role of loyalist violence in keeping Northern Ireland within the United Kingdom; the assertion of the British government of its lack of ‘selfish strategic or economic interest in Northern Ireland’, and the succession of reforms brought in by the British government, when ruling Northern Ireland directly and under pressure from nationalists, in areas such as housing, voting and fair employment (cf. English, 2003; Moloney 2003; Tonge, 2002; 2004; Hennessey, 2000, Mitchell and Wilford, 1999; Gilligan and Tonge, 1997; McGarry and O’Leary, 1995).

Despite the arrival of peace, the role of the GFA in promoting all-island economic activity has been hampered by attendant political instability. In 2002, the Northern Ireland Executive and Assembly were suspended indefinitely, as power-sharing between unionists and nationalists collapsed. One year later, in Assembly elections, the anti-GFA Democratic Unionist Party (DUP) became the largest party in Northern Ireland, backed by large numbers of Protestants disillusioned with the Agreement. With interlinked institutions suspended, the all-island dimension of the GFA, the North-South Ministerial Council (NSMC), Failed to function effectively. As such, the most important promoter of cross-border activity in Ireland continues to be the EU, if only by default.
Historically, the EU eschewed direct political input to the conflict in Northern Ireland. Nonetheless, to claim that the EU was inactive is erroneous, as the European Parliament (EP) did take an interest in conflict resolution in the province. The EP established a working party to examine modes of conflict resolution in Northern Ireland in 1981. The Haagerup Report (1984) insisted that it was not the role of the Community to propose constitutional change, whilst advocating power-sharing and increased intergovernmental cooperation. The report condemned violence and acknowledged that the EU had no role to play in respect of Northern Ireland’s constitution. It nonetheless advocated European Community involvement in social and economic reconstruction. In 1985, the EP backed the Anglo-Irish Agreement by 150 votes to 28, a symbolic gesture of support and in 1992, the EP launched an investigation into anti-Catholic discrimination in Northern Ireland. Direct input into Northern Ireland’s affairs came with the arrival of substantial peace funds in the 1990s.

Resolving conflict through cross-border activity: the political framework of the Good Friday Agreement

An enhanced role for the European Union in facilitating cooperation between Northern Ireland and the Irish Republic is seen as ‘a route out of the dead-end conflict over territorial sovereignty’ (Anderson 1998: 144). The EU provides a basis for movement away from what are mutually unattainable ‘bargaining positions’ of an independent united Ireland and an exclusively British Northern Ireland. Trans-nationalism, an institutional approach to North-South cooperation, and ‘bottom-up’ participatory approaches, are seen as routes to an ‘all-island’ society, as contests of sovereignty diminish. The role of the EU has been significant in developing North-South economic and political co-operation and ameliorating economic inputs to the conflict.

Cooperation between both parts of Ireland, assisted by EU financial aid, is a means of diminishing the contests of sovereignty that characterised North-South relations on the island. However, the mistrust between the parts of the island meant that North-South trade was below the level expected of an island economy. North-South co-operation was formalised in the GFA via the establishment of the NSMC. Its remit
was to identify and agree at least six matters for cooperation where existing bodies would remain the appropriate mechanisms for co-operation in each separate jurisdiction and to identify and agree six matters where new all-island, or cross-border bodies would be responsible for policy implementation. These bodies were established under a supplementary agreement between the British and Irish governments in March 1999.

The remit of the NSMC and its accountability mechanisms were more clearly defined than the previous all-island body, the Council of Ireland, established under the 1973 Sunningdale Agreement. The mere title of that Council alarmed unionists. The 1998 version was clearly dependent upon Northern Ireland Assembly approval to function properly. The NSMC had executive authority, but nonetheless was not an entity capable of bypassing the restraints of northern unionists. Indeed, although the NSMC was brought into being by British-Irish intergovernmental legislation, the areas of cross-border executive authority for the NSMC were determined though agreement between the Northern Ireland Executive and the government of the Irish Republic (O’Leary 2001). The NSMC could not stand alone without the Northern Assembly, a constraint designed to lure republicans into the Assembly; equally, the Assembly could not function without the all-island dimension of the NSMC. Whilst these looked useful safeguards, they overestimated the initial commitment of the DUP and anti-Agreement wing of the UUP to an assembly including Sinn Féin whilst the Provisional IRA remained in being. Anti-GFA unionists regarded northern and cross-border institutions as expendable, as part of a process of derailing the Agreement. The interlocking of the institutional pillars of the GFA rendered the deal vulnerable to a ‘domino’ effect; collapse of one institution led to abandonment of a related pillar.

The six North-South implementation bodies agreed were inland waterways; food safety; trade and business development; special EU programmes; language and aquaculture and marine matters. Of these, the most important is the SEUPB (see below). With the exceptions of the SEUPB and Waterways Ireland, which have greater autonomy, the North-South bodies are headed by boards appointed by the NSMC. The inaugural meeting of the NSMC in December 1999 was an impressive affair, visibly ending a North-South cold war, which had persisted since the 1920s, extending beyond the thawing of the Lemass-O’Neill talks of the 1960s up to the
Good Friday Agreement. The NSMC brought together all sections of the island, with the conspicuous exception of hardline unionism, as the DUP boycotted the meeting. It was clear from the outset that the NSMC would be used as a vehicle of Unionist resistance to irritations elsewhere in the GFA. The NSMC was used as a blunt instrument by the First Minister, David Trimble, to exert pressure upon Sinn Féin to force the IRA to begin decommissioning its weapons. In October 2000, the First Minister prevented Sinn Féin’s two ministers from attending NSMC meetings, requiring North-South cooperation in the education and health spheres to proceed informally, via bilateral meetings between Sinn Féin and the Irish Government, until Sinn Féin’s challenge in the courts led to the First Minister’s action being ruled unlawful.

The yield of six all-island executive bodies was a poor reward for thirty years of armed struggle for republicans, who acknowledged that the twelve areas of cooperation contained in the NSMC contained ‘modest remits’ (Sinn Féin 2003). The GFA made clear that the North-South bodies were beholden to external approval:

Any further development of these arrangements to be by agreement in the Council and with the specific endorsement of the Northern Ireland Assembly and Oireachtas, subject to the extent of the competences and responsibility of the two Administrations (italics added).

Barring a miraculous transformation of unionist opinion, the GFA offered no prospect of the long-term extension of its all-island dimension. Furthermore, one of the architects of the pan-nationalist alliance that fostered the peace process, Dr Martin Mansergh, conceded that ‘there is no evidence, let alone inevitability, from international experience, that limited cross-border co-operation necessarily leads to political unification’ (quoted in Saóirse, October 2000:1). At best, the cross-border bodies acted as an institutional facilitator for the development of economic cross-border activity, but this role was subordinate to the future political resistance of unionism. Nonetheless, the claim that the NSMC ‘satisfactorily linked northern nationalists to their preferred nation-state’ was true, given the willingness of Catholics to back the GFA (O’Leary 2001: 61). For republicans, however there remained the difficulty in portraying the linkages as dynamic and transformative, set against the textual requirements of the GFA.
Cross border economic activity: an overview

The growth of the ‘Celtic tiger’ during the 1990s did not persuade Unionists of the logic of all-island economic cooperation. An island economy could be a useful marketing concept, but in substantive terms it could only make a minor contribution to increased economic competitiveness (Bradley and Birnie, 2001). All-island trade integration is necessarily a limited process because of the small size of the market, the respect for the border within the organisation even of multinational concerns and a unionist enclave approach within traditional, but declining, industries of linen, shipbuilding and engineering. However, integrated production capacity is greater, particularly where firms in Northern Ireland have been taken over by large businesses in the Irish Republic, in sectors such as food processing.

Trade between Northern Ireland and the Irish Republic remains low, even though the 1990s saw a steady increase in the percentage share of Northern Ireland’s manufacturing exports to the Republic, from seven per cent of total sales in 1991-92, to nine per cent by the end of the decade, whilst sales to Great Britain fell by three per cent, to 34 per cent, during the same period (Bradley and Birnie, 2001: 66). These figures offer tentative evidence of a gradual shift towards an all-island economy, in which the markets of the Irish Republic assumes a greater importance for Northern businesses. The small size of Northern Ireland’s population makes it incidental to the marketing strategies of many companies in the Irish Republic, an export driven economy in which sales of goods abroad account for more than 50 per cent of GDP. At the time of the GFA, North-South business equated to only five per cent of Northern Ireland’s GDP and less than two per cent of the Republic’s GDP (Bradley and Birnie 2001: 68). The introduction of the Euro in the Irish Republic in 2002 maintained a possible currency barrier to trade.

The extent of North-South trade may appear low, but it has been claimed that its level is not dissimilar to that between neighbouring countries in other parts of Europe (Scott and O’Reilly, 1992). Business leaders, North and South, have discussed the possibilities of a ‘Belfast-Dublin’ trade corridor, facilitating economic growth in the existing most prosperous sector of the island. However, this idea has been the subject of academic scepticism (Bew, Patterson and Teague, 1995). There appears to be a mismatch between the types of industries located either side of the border. Where
there are matches, these are predominantly in the commercial sector, often as subsidiary components of multinational companies, for which the border has diminished salience anyway.

The assumption thus far is that there are institutional (top-down) and commercial barriers to the development of a thriving all-island economy. A further difficulty, aside for obvious unionist scepticism, lies within the workforce itself, which appears slow to respond to the possibilities of cross-border economic change. In some sectors, notably agriculture, this is a legacy of the closeness of relationships between the state and employee representatives. Unionist politicians having enjoyed a cordial, mutually beneficial relationship with the Ulster Farmers’ Union (UFU) prior to direct rule, both sides concentrating exclusively upon the benefits of agricultural improvements in Northern Ireland, despite the existence of all-island agrarian commonalities (Greer, 1994). Trade unions in Northern Ireland have tended to be inward looking and, although increasing, ties with union partners in the Irish Republic remain severely underdeveloped. As such, attempts at harmonisation of labour market representation ‘from below’ remain exceptional.

**The EU and cross-border aid: size and scope**

Political hostility between North and South inhibited economic cooperation between the two parts of the island for decades and exacerbated suspicion between the two parts of the island. Improved relationships between political elites created space for a deal to link economic activity between North and South via the GFA, but the EU had ‘got there first’ in pump-priming a series of cooperative projects. The GFA provided political formalisation to what the EU, along with US funding after the 1985 Anglo-Irish Agreement, had begun.

Functionalist ideas concerning the necessity of cross border, inter-state cooperation were based upon the premise that borders would wither as citizens cooperated across territorial boundaries (Tannam, 1996). Yet this bottom-up, civil society approach to cross border cooperation has failed to fully develop (thus far at least) across the Irish border. Travel has increased and North-South trade has improved slightly, but remain low and the divisions between the two states are emphasised as much as commonalities. The essential problem with functionalist approaches to cross-border
cooperation is that they assume symmetry of ideas across borders. However, whilst the citizens of the Irish Republic have no formal objection to developing economic and social relations across the border, there is no great demand for such developments. In the North, the unionist population has traditionally been sceptical of North-South cooperation, fearing a process of creeping unification.

The lack of pressure from below led to the development of the neo-functionalist approach of the GFA. Political elites from North and South combined to create a set of ‘top-down’ institutions, which encouraged economic (and political) cooperation across the border. This process was aided by EU funding, encouraging business leaders to increase the limited cross border trade. Cooperation has been formalised in certain policy areas by the North-South bodies of the GFA, but is likely to expand outside those forums. Whereas North-South co-operation was seen previously as threatening to Northern Ireland’s constitutional position, the agreed formalisation of this under the GFA has allowed northern business and political elites to take a more relaxed view. The European Union may have fostered a nudge towards a post-nationalist Ireland, in which the earlier exclusivism of national identity and British and Irish nation states is replaced by a more confederal British-Irish relationship, existing within the broader context of a Europe of regions (Kearney, 1997). A mildly confederal British-Irish framework, based on loose arrangements, was created by Strand III of the GFA, linking political institutions throughout the islands under the British-Irish Council.

The largest providers of funding for cross-border initiatives have been the International Fund for Ireland (IFI) and the European Union (EU). The IFI was established in 1986, after the Anglo-Irish Agreement. The majority of its funding has been provided by the United States, designed primarily to help those areas most afflicted by conflict and such funding enjoys higher awareness levels than that afforded to EU aid, although this may change as the SEUPB embeds (Irvin and Byrne, 2002). During the early 1990s, Northern Ireland benefited from EU funding awarded as a result of its Objective One status, entitling the region to maximum EU structural funds. This was not renewed for the 2000-6 programme, but substantial compensatory transitional aid was awarded. Institutional links have grown, with the European Commission holding a permanent office in Belfast and the Northern Ireland
Executive operating a Brussels office. Each of Northern Ireland’s 26 local councils has a European Liaison Officer. Policy in respect of overall UK-EU relationships is still formulated at Westminster. However, the implementation of EU programmes policy directives would become increasingly a matter for a (sustained) devolved Northern Ireland Executive. The Executive formally approved the Community Support Framework (which includes a North-South chapter) and had the task of applying horizontal principles across EU programmes, including accountability, equal opportunities, the targeting of social needs and environmental sustainability. EU policies also impacted upon 80 per cent of Programme for Government legislation produced by the Northern Ireland Executive (McQuade and Fagan, 2002:172).

The European Policy Coordination Unit (EPCU), established within the office of the First and Deputy First Minister, was designed to provide ‘joined up’ Northern Ireland government responses to EU legislation. Direct influence upon EU legislation from Northern Ireland appears minimal, being, at best, filtered through the Westminster government, mainly via the Foreign and Commonwealth Office and Cabinet Office European Secretariat, to which the EPCU can send representatives. The EPCU provides assistance for Northern Ireland’s ministers at UK-wide ministerial committee meetings on European policy. Under devolved government, it also administers the EU programme for Peace and Reconciliation (see below). Given the importance of EU legislation in Northern Ireland, the lack of a dedicated Minister of EU Affairs might be seen as surprising and the absence of such contributes to continued Westminster ‘filtering’ of representation. The Northern Ireland Assembly intended to create a Standing Committee on EU Affairs at the time of suspension in 2002, to broaden EU legislative input, representation and scrutiny beyond the Executive. Although the beneficiary of much European Union funding, Northern Ireland did not establish fully developed representative channels as a regional government in the immediate post-GFA years. The development of Executive representation was hindered by the fragility of Northern Ireland’s political institutions. Relations with the EU mirror those with the UK, based upon dependency rather than autonomy and full representation. The UK government is still seen as the most influential in terms of how Northern Ireland is run, with 51 per cent of the population seeing it as primary, compared to 28 per cent viewing a functioning Northern Ireland Assembly as the main influence and only 7 per cent and 4 per cent
respectively seeing local councils and the EU as the primary influences (Gilland and Kennedy, 2002).

EU funding for Northern Ireland is provided via the Community Support Framework. This is based around two programmes, the Programme for Building Sustainable Prosperity, which accounts for two-thirds of funding and the Programme for Peace and Reconciliation, providing the remaining third. The EU has provided a plethora of funds for reconciliation, regional development and cross-border cooperation, notably via the PEACE, INTERREG, LEADER, EQUAL and URBAN programmes. The PEACE and INTERREG programmes provided an EU commitment of 1.33 billion Euro (£830 million) of funds across the island between 1995 and 2006 (www.northsouthministerialcouncil.org/communiques/spjc091002.htm). The PEACE I programme (Special Support for Peace and Reconciliation in Northern Ireland and the Border counties) ran from 1995 to 1999 and was followed by a PEACE II programme with an even larger budget. The PEACE II programme finance is distributed mainly via government departments, 26 Local Strategy Partnerships, 6 county council border task forces and 15 intermediary funding bodies. Combined, these bodies formulated an integrated area development plan. By mid-2003, nearly half of the total funding had been committed (but not spent) to 1,500 different projects, at a rate of two million euro per week (House of Commons, Northern Ireland Affairs Committee, 21 May 2003; evidence from Ian Pearson, Minister for Finance and Personnel).

An important question begged of the institutional arrangements established under the GFA was how they would shape existing cross border provision exercised under the auspices of the EU. The Agreement made provisions for the consideration of the implementation of EU programmes by the NSMC and made clear that the views of the NSMC were to be relayed to relevant EU meetings. The creation of the NSMC and cross-border bodies impacted upon the European programme for cross-border cooperation, INTERREG. (Laffan and Payne, 2002). Firstly, they increased the number of actors involved in the implementation of INTERREG. Secondly, existing cross border networks, acting combined as a border corridor group, have assumed greater importance, having input to the administrative closure of the PEACE I and INTERREG II programmes and the development of the INTERREG III programme.
The Border Region in which INTERREG operates covers three networks of councils on either side of the border, local authorities in the case of Northern Ireland and county councils in the Irish Republic (Ibid.). These networks were based upon geography, with a North-West regional group covering local government based mainly in Donegal and Derry; a group embracing councils immediately North and South of the border in the East of the island, covering counties such as Armagh and Louth and a central network straddling the remainder of the border councils, giving a total of 18 councils.

The SEUPB is the paying and managing agent for the PEACE II programme, as it is for INTERREG IIIA, the cross border element of the INTERREG programme. Indeed, the SEUPB has an advisory role to the European Commission in the drafting of the programme and acts as an evaluator. The SEUPB is also guided by the Structural Funds Plan for Northern Ireland and the National Development Plan for the Irish Republic (2000-06) which contain a Common Chapter of agreed text covering all-island development, from which the SEUPB developed an implementation plan. Meeting quarterly in sectoral format, the SEUPB also promotes cross-border cooperation in assisting the implementation of the National Development Plan for Ireland and the Northern Ireland Structural Funds Plan. A joint Northern Ireland-Irish Republic monitoring committee oversees the contribution made by structural funds to these plans. These roles appear to place the SEUPB in a strongly influential position. Against this, it should be noted that most of its staff are merely seconded from the Departments of Finance in Northern Ireland and the Irish Republic, with a return to department, rather than permanent commitment to SEUPB, a possible option.

At its first sectoral meeting in Dublin in June 2000, ministers acknowledged that the SEUPB had a political and economic basis, its establishment reflecting the commitment to reconciliation and peace of the EU and placing the cross-border dimension of the GFA within this context (www.northsouthministerialcouncil.org/communiques/spjc160600.htm). The establishment of the SEUPB as an all-island implementation body gave extra impetus to the European dimension of trans-national cooperation. In this respect the EU not only kick-started all-island economic initiatives; it helped shape their transfer to a political framework. The SEUPB was mandated to negotiate with the European
Commission on the PEACE II programme and acted as a cross-border programme leader, with a minimum budget of 75 million Euros. PEACE II and INTERREG III provided very substantial funding, as Table 1 indicates.

Table 1 European Union Structural Fund Programmes (£m)

<table>
<thead>
<tr>
<th>Programme</th>
<th>Northern Ireland</th>
<th>EU Aid</th>
<th>Combined EU &amp; Matching Aid</th>
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<tbody>
<tr>
<td>PEACE II</td>
<td>274.0</td>
<td>366.0</td>
<td></td>
</tr>
<tr>
<td>LEADER+</td>
<td>10.0</td>
<td>15.0</td>
<td></td>
</tr>
<tr>
<td>EQUAL</td>
<td>8.0</td>
<td>10.0</td>
<td></td>
</tr>
<tr>
<td>INTERREG IIIA</td>
<td>52.0</td>
<td>69.5</td>
<td></td>
</tr>
<tr>
<td>URBAN II</td>
<td>7.0</td>
<td>9.0</td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td>351.0</td>
<td>469.5</td>
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<thead>
<tr>
<th>Programme</th>
<th>Border Region/Ireland</th>
<th>EU Aid</th>
<th>Combined EU &amp; Matching Aid</th>
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<tr>
<td>PEACE II</td>
<td>106.0</td>
<td>141.0</td>
<td></td>
</tr>
<tr>
<td>LEADER+</td>
<td>47.9</td>
<td>73.7</td>
<td></td>
</tr>
<tr>
<td>EQUAL</td>
<td>33.9</td>
<td>47.0</td>
<td></td>
</tr>
<tr>
<td>INTERREG IIIA</td>
<td>53.6</td>
<td>71.8</td>
<td></td>
</tr>
<tr>
<td>URBAN II</td>
<td>5.3</td>
<td>11.4</td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td>246.7</td>
<td>344.9</td>
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Source: [www.northsouthministerialcouncil.org/communiques/spjc301001.htm](http://www.northsouthministerialcouncil.org/communiques/spjc301001.htm) 1/6/03

The regulated clientelism of funding distribution

Even allowing for a high level of demand (2,700 project applications were received in 2002 alone) the level of funding is huge. There are five priority areas; economic renewal; social integration; inclusion and reconciliation; local regeneration and development and regional and cross-border development, the extensiveness of which encourages a large number of funding bids. A joint Northern Ireland-Irish Republic monitoring committee oversees the contribution made by structural funds to the Common Chapter of aims for the Structural Funds Plan for Northern Ireland and the National Development Plan for the Irish Republic.

The establishment of the SEUPB led to a revision of established practices in respect of EU programmes, with the Dublin government adopting a relaxed, hands-off, approach, compared to the more regulatory attitude of the Department of Finance and
Personnel in Northern Ireland (Laffan and Payne, 2002). Whereas PEACE I partnerships operated within the boundaries of the 26 district councils, the PEACE II deliverers may interact across areas. One half of the members of LSPs comprise councils (several of which are controlled by unionists) and agencies, with the other half consisting of representatives from business, trade unions, the voluntary sector and other interested parties. Although this broadened the aggregate number of deliverers, the representation of councils increased from one-third under the old PEACE I model. A Regional Partnership Board oversees the activities of LSPs.

Councils and agencies, irrespective of political background, cooperate to secure funds within their LSPs. Similarly, local groups below the meso-tier of departments and funding bodies cooperate across the sectarian divide to secure EU funding. The relationship between dependent local user groups and distributive funding can be described as one of regulated clientelism. In terms of allocation of monies, Northern Ireland departments are responsible for 39 per cent, intermediate funding bodies 34 per cent and LSPs the remaining 27 per cent (Meehan, 2000, p. 42). LSPs and intermediate funding bodies need to demonstrate their cross-community credentials as recipients of EU funding for distribution; ditto local community groups and project managers in receiving such funding.

As can be seen from the above, the extent of EU support for cross-border cooperation is very substantial, incorporating a plethora of activities. The placement of these all-island activities under the auspices of the NSMC and an executive cross-border body is of more than mere symbolic importance. It represents the most substantial movement towards cross-border activity apparent under the GFA.

**Scrutinising EU programmes**

Although EU funding has been welcomed across the community divide, there have been two broad, interrelated problems; how to transfer funds to an appropriate range of user groups quickly and how to establish a suitable model of accountability. These difficulties have arisen largely through technical problems rather than political differences. Nonetheless, the prolonged suspension of the Northern Ireland Assembly from October 2002 raised questions of how the EU’s PEACE II programme would be adequately scrutinised. The Northern Ireland Department of Finance and Personnel is
responsible to the European Commission for PEACE II, via Whitehall. A PEACE II monitoring committee was established in November 2000, chaired by the Northern Ireland Finance Minister, but the return of direct rule has undermined local scrutiny. A committee was also established in January 2001 to determine how border networks could contribute more to spending decisions in respect of EU structural funds. The Northern Ireland Affairs committee at Westminster attempts scrutiny, seeking evidence from relevant ministers and civil servants. The Minister for the Department of Finance and Personnel is accountable for progress to the UK parliament.

The British government has acknowledged difficulties in implementing PEACE II (House of Commons, Northern Ireland Affairs Committee, 21 May 2003; evidence from Ian Pearson). These problems can be summarised as: i) the sheer scope of the programme, particularly the organisational demands of setting up new delivery bodies; ii) the complexity of European structural funds regulations; iii) satisfying the bidding demands of prospective user groups, whose own members, for example within the Local Strategy Partnerships, are often unpaid novices; iv) ensuring continuity from PEACE I, and v) developing an adequate model of accountability for a trans-national initiative. Prior to suspension, the Northern Ireland Executive indicated that the same mix of delivery mechanisms would operate for PEACE II, a mixture of local bodies, intermediary funding groups and central departments (Northern Ireland. Executive Information Service, December 2000).

Combined, these problems led to under-spending and a funding gap in the opening year of PEACE II, with substantial delays in negotiation and implementation of the programme, although these were exacerbated by several LSPs complaining about the 15 per cent ceiling on administration spending within their individual budgets. Two years after implementation of the programme, only one claim, for half a million euros, had reached the European Commission (Northern Ireland Affairs Committee, 21 May 2003). The SEUPB blamed inactivity within the Agriculture, Culture and Enterprise and Training and Industry Departments for the slow pace of implementation, a criticism accepted by the government.

The problem of accountability is particularly acute. Progress on implementation of Peace II is reported via three Whitehall departments, rather a single channel. For the user groups, there is a duplication of auditing procedures, with some organisations
audited by up to eight different organisations, a scenario acknowledged as ‘horrendous’ by the relevant minister, who advocates acceptance of national auditing standards rather than EU procedures ((House of Commons, Northern Ireland Affairs Committee, 21 May 2003; evidence from Ian Pearson). Each structural fund has its own audit trail established by the European Commission, leading to duplication.

The political impact of EU intervention

The preferred conception of the EU held by the UUP, DUP and Sinn Féin is broadly that of a ‘non-interfering’ body presiding over a Europe of essentially independent states. Northern Ireland’s three MEPs, one each from the DUP, UUP and Sinn Féin, elected on a far higher turnout than elsewhere in the United Kingdom, are drawn from parties which have not yet moved towards the postnationalist position espoused by the SDLP. Nonetheless, the three largest parties in Northern Ireland have all been influenced by financial assistance to areas afflicted by conflict in Northern Ireland, each adopting a more positive outlook on the EU. EU influence has not, this far, however, reconfigured the identities of the constituencies represented by those parties.

The impact of cross-border EU activity has been, firstly, the diminution of economic problems in areas of former republican militancy; secondly, economic cross-community cooperation among EU funding recipients and thirdly, a reduction in unionist suspicion of economic all-island activity. Whilst these are all considerable achievements, the limits of EU re-configuration are apparent in the sphere of identity, which remains predominantly polarised. This should not be seen as surprising, as it is not the aim of a consociational deal such as the GFA, nor necessarily within the current remit of the EU, to diminish current national identity. A substantial majority of Protestants in Northern Ireland continue to identify exclusively as British during recent decades, whilst Catholics predominantly identify as Irish (Northern Ireland Life and Times Survey, various). There is some indication of commonality, with 27 per cent of Protestants and 28 per cent of Catholics using the label ‘Northern Irish’ to describe their identity, such a hybrid being more common among the young, although it possible that Catholics use the label as a means of asserting a North-South axis, with Protestants holding an East-West reference (Northern Ireland Life and Times Survey, 2002). It is not apparent that cross-border cooperation necessarily reshapes...
national identities. However, the emergence of the identification of the hybrid ‘Northern Irish’ label as the primary label among over one-quarter of the population in the North might indicate a reconfiguring of identity among those accepting the interdependence of both parts of the island. Attitudes to Northern Ireland’s constitutional future have not shifted markedly during the Northern Ireland peace process. Four-fifths of the Protestant population wish Northern Ireland to remain part of the United Kingdom, whereas fewer than one in six Catholics support this as a long-term option, the most favoured outcome among Catholics being an independent, united Ireland (Northern Ireland Life and Times Survey, 2002).

There is a tendency within Northern Ireland towards ‘recognition of the EU as a cash cow’, rather than its acceptance as a governing entity, a problem exacerbated by low knowledge of the EU’s other functions (McGowan and O’Connor, 2004). The utility of external aid is disputed across the communal divide. Unionist voters contest the idea that external support has helped reduce the level of violence; Sinn Féin believe aid has had this effect, whilst, perhaps surprisingly given their fondness for external referents, SDLP supporters are fairly even divided on this supposed attribute (Ulster Marketing Survey, August 1997, cited in Irvin and Byrne, 2002). However, a majority of supporters of all political parties believe that EU funded projects have been important to their community’s economic development (ibid.). Positive perception ratings of 74 per cent and 73 per cent amongst Sinn Féin and DUP supporters respectively indicate how EU aid is valued irrespective of political affiliation.

Despite this positive perception of EU funding, the broader perceived role of the EU remains controversial. Whilst the SDLP has always embraced the possibilities of an EU contribution to the debate on constitutional futures, unionist parties have remained sceptical. Unionists now endorse all-island economic linkages from bi-national and supranational institutions, but resist possible territorial implications. Whilst embracing the cross-border cooperation promoted by the GFA, the UUP argued that such cooperation was already a reality (facilitated partly by the EU) and did not need to be revamped by substantial all-island political incrementalism (Alcock, 2001). As such, the UUP promoted the all-island aspect of the GFA to its supporters as merely formal acceptance of de facto economic reality. Despite their party’s caution on EU
issues, it is worth noting that over half of UUP members (56.2 per cent) view their party as pro-European. Scepticism within the DUP has occasionally assumed an (unpersuasive) religious dimension, in which the EU is somehow seen as a ‘Catholic club’. Such a view has been encouraged by occasional polemical bursts from Ian Paisley, his description of the EU as ‘Babylon the Great, the mother of harlots and abominations of the Earth’ ranking among the more colourful (quoted in Moloney and Pollock, 1986: 405).

Over 80 per cent of members of the centrist Alliance Party perceive their party as – pro-European, although only just over half support entry to the Single European Currency. Even here, there is evidence of sectarian division. Catholics within Alliance are more favourably disposed to joining the Eurozone: -56 compared to -26 Protestants, on a -2 strongly agree UK should join; +2 strongly disagree scale: p<.01). Only 2.3 per cent of Alliance members view their primary identity as European.1

The biggest impact of the positive perception of the EU among nationalists has been the policy shifts it has elicited among their major political representatives in Northern Ireland, Sinn Féin. In common with numerous other aspects of party doctrine, Sinn Féin’s policy on the EU has been radically overhauled. Until 1998, the party supported withdrawal from the EU. After this, Sinn Féin endorsed a policy of ‘critical engagement’, abandoning the idea of withdrawal as no longer feasible (Sinn Féin, 1999). The party endorsed many aspects of the provision offered by EU Structural Funds. In 2001, the party opposed the Nice Treaty in a successful campaign of opposition in the first referendum (overturned later, by the seemingly inevitable second referendum which follows an ‘incorrect’ initial vote). In 2003, Sinn Féin endorsed the extension of the Euro to Northern Ireland as ‘a crucial part of the process of economic unification’ (Sinn Féin, 2003:6). For Sinn Féin, the European dimension has provided a useful context within which to dilute its original claims to unfettered Irish sovereignty. The zero-sum game approach of Irish versus British has been reconfigured to allow a broader set of intergovernmental relationships, a pooling of sovereignty within the EU and a reconciliation of the peoples of Ireland within a

1 Data from ESRC project R000223414, Third Traditions? A Membership Survey of the Alliance Party of Northern Ireland, conducted by the author in 2001 The full dataset is available at the ESRC data archive at the University of Essex.
European framework. Critics viewed this as wishful withering of the border. Sinn Féin, since 2001 the larger nationalist party in Northern Ireland (and growing rapidly in the Irish Republic) remains committed to the construction of a distinctive Irish nation state and Irish unity, but within the context of an increasingly integrated Europe. As evidence of the new realism, the Chair of the party, Mitchel McLaughlin, referred to the ‘dominance of the EU on the island of Ireland’ (quoted in Cox, 1998: 73-84).

Ideological change within Sinn Féin would probably have occurred anyway, but what cannot be overlooked is the manner in which the party leadership has adopted the EU as a means by which such change is justified. Sinn Féin adopted an optimistic neo-functionalist outlook, arguing (publicly at least) that increased economic cooperation would lead to closer political union between the two parts of the island. Potentially, the party held economic leverage in both jurisdictions if it forced a place in a future government in the Irish Republic.

Of the four main parties in Northern Ireland, only the SDLP has adopted a post-nationalist position, denying traditional concepts of the nation state and sovereignty. The party favoured a place for an EU Commissioner in a six-person Executive to govern Northern Ireland in the early 1990s. Within the SDLP, there remains tension within the party between its support for intergovernmental, bi-national initiatives, which, according to the British and Irish governments do nothing to undermine sovereignty in either jurisdiction, and the SDLP’s belief in such arrangements, allied to the growth of a Europe of regions, as a means of withering borders. The SDLP has long advocated the all-Ireland framework established under the GFA. Although the party’s concept of an ‘agreed Ireland’ is primarily political, it also has economic referents, arguing the logicality of increased North-South trade. There is some tension discernible in the party’s ability to oscillate between the bi-nationalism (facilitated by pan-nationalism) at the heart of the GFA and the SDLP’s support for neo-functionalist (post nationalist) processes of European integration, based upon ‘spillover’ from economic to political spheres, which ultimately could render bi-nationalism redundant (McGovern, 1997).

The SDLP’s advocacy of EU involvement has been forceful, reflected in the belief of an overwhelmingly majority of SDLP members (89 per cent) that their party is pro-
European, with almost three-quarters believing that the party should promote a distinct European identity.\(^2\) The party’s submission to the Brooke-Mayhew talks in 1992, *Agreeing New Political Structures*, suggested that the EU had been a successful institution in overcoming division. As such it was appropriate to have a representative from the European Commission within a six person ruling Executive in Northern Ireland, scrutinised by an Executive modelled on the European Parliament and linked to a North-South Council of Ministers. Subsequently, the party was forced to row back somewhat from its drive for EU political involvement, but nonetheless the party sees all-Ireland structures as part of a desirable withering of the ‘redundant’ nation state in favour of pooled sovereignty within a Europe of the Regions. SDLP support for processes of European integration was grounded in electoral as well as political logic. Catholics in Northern Ireland have been much less sceptical of the European Union than Protestants. Catholics, by a five-to-one majority, believe that membership of the European Union is a good thing, compared to only two to one support among Protestants (Greaves, 2002). Catholics also favour EU expansion, supporting, for example, the Maastricht Treaty by a two-to-one majority, whilst Protestants were narrowly opposed (Kennedy, 1994).

**The ideological impact of the EU and GFA: postnationalism or binationalism?**

The application of post-nationalist ideas to Northern Ireland can be found in a variety of postmodern accounts (cf. Delanty, 1996; Kearney 1997; McCall, 1999). These accounts diminish the importance of traditional borders in favour of a multiplicity of ‘sovereign’ institutions, at regional, national and, above all, European level. Traditional political communities no longer exist, making redundant the historical narratives and myth-making which accompanied such bodies. Ancient hostilities are withering, displaced by globalisation, supranational institutions and the rejection of universal truth. The anti-historical basis of postmodern accounts rests uneasily against the reliance upon history and continuing interest in territorial sovereignty of Northern Ireland’s political actors. The ‘dreary steeples’ of a localised political wrangle remain in view, still to be removed by trans-national economic and political

\(^2\) Data from ESRC project R000222668, New Nationalism in Northern Ireland, incorporating a membership survey of the SDLP in 2000, conducted by the author. The dataset is available from the ESRC data archive at the University of Essex.
forces. Historical narratives remain paramount, although knowledge of, and interest in, the ‘other’ side’s historical account may have increased as a consequence of social and cultural aspects of the PEACE programme.

The promotion of cross-border linkages by the EU has been the most significant aspect of economic unity. A neo-Marxist account suggests that a reconfiguration of states is occurring broadly in line with the requirements of capital (Goodman 1996a; 1996b). Trans-national borders and territorial integrity have become less relevant in a global economy. There is a role for a supranational institution such as the EU in promoting regional economic development, although this may create unevenness in economic and political development. Whilst a Europe of regions may emerge in economic terms, the slower pace of political change ensures that a federal Europe may remain a distant prospect. The death of the nation state is much exaggerated, but a process of reconfiguration by economic forces is apparent. What has yet to be satisfactorily measured is the extent to which top-down, EU-promoted economic cooperation can foster a trans-national community throughout the island of Ireland. Support for the ‘old solutions’ of nation statehood remains substantial.

Although issues of national sovereignty clearly remain paramount, support for cross-border economic cooperation is apparent. As such, the EU clearly has a role to play in facilitating all-island economic projects. Among Protestants, traditionally much more sceptical of all-island developments, there is majority support (52-36 per cent) in favour of the idea that the Northern Ireland Assembly should ‘better integrate the economies North and South’ (Murphy and Totten, 2000: 298). However, by 2003, 68 per cent of Protestants registered dissatisfaction with the (hitherto benign) NSMC as part of their dissatisfaction with the GFA, a level of discontent higher than that recorded for the Assembly and Executive (Irwin, 2003: 73).

Unionists continued to prefer all-island activity of the EU and the GFA to be ringfenced, but the approach to such activities is more cooperative than hitherto. In the health arena for example, the Ulster Unionist Party (UUP) declared itself ‘open to the possibility of partnership arrangements with acute hospitals in border areas’ and also supported the development of cross border ‘supra-regional’ services (UUP, 2002). The DUP no longer rejects all-island economic co-operation and has seemingly accepted a modest role for the Irish government in Northern Ireland.
Nationalists wished the all-island bodies to be dynamic and transitory towards a united Ireland. The GFA made clear that participation in the NSMC was a requirement for ministers in the Executive, with unspecified ‘alternative arrangements’ to be made in the event of non-compliance, a stipulation ignored by the DUP, but one likely to re-emerge in a renegotiated agreement.

More UUP members still hanker after an internal settlement than otherwise, 44 per cent preferring devolved power-sharing without cross-border bodies, compared to 36 per cent preferring devolved power-sharing with cross-border bodies (Tonge and Evans, 2001). Among Protestants there is little antipathy to cross-border cooperation, provided it is outside the political sphere. A majority of Protestants, support cross-border co-operation in each of the following areas, tourism (72 per cent), transport (64 per cent), agriculture (57 per cent) and health (52 per cent) but the overall majority disappears on the question of security and only 22 per cent support ‘cross border cooperation with the Irish Republic in Northern Ireland’s political future’, compared to 75 per cent of Catholics, who, unsurprisingly, are also highly supportive of economic cross-border cooperation (MacCarthaigh and Totten, 2001: 339-40).

The establishment of the NSMC and the development of all-island implementation bodies were clearly political acts, in addition to their economic rationale. As such, the politics-economic divide possessed an air of unreality. The reasons for executive cross-border bodies were economic and political, as Fianna Fáil made clear in the Irish Republic:

"The setting up of democratically mandated North-South institutions with executive powers is essential, both for practical reasons to serve common interests North and South against the backdrop of the European Single Market and for reasons of identity as a reflection of the Irish dimension (Fianna Fáil, 1995: 9-10)."

Clearly there is little opposition among unionists for all-island economic cooperation, other than amongst a hard core opposed to all forms of Irish unity, economic or political. Furthermore, the level of support for non-political cooperation suggests that cross-border concords are not viewed as part of a threatening, unity-by-stealth project. There is no evidence of a huge groundswell of support among younger people for a
breaking down of barriers on the island; the attitudes of under 35 year olds regarding cross-border cooperation are very similar to those of their elders; considerable enthusiasm among Catholics; milder support among Protestants.

There remains a sceptical unionist constituency, which regarded the cross-border dimension of the GFA as part of a process of British withdrawal by instalments. Its position is articulated by the deputy leader of the DUP, Peter Robinson:

So there will be no big surrender, just dozens of little ones. No event so momentous in itself to provoke community unrest. One thing is certain-once the line of all-Ireland executive authority has been crossed (in whatever form and to whatever extent) it is only the slipperiness of the slope that will determine when we arrive in a united Ireland, as the destination will have been irreversibly set on that fateful day.

(Peter Robinson, quoted in McAuley, 2002: 114).

The DUP argues from a ‘realist’ perspective on inter-state cooperation, suggesting that cross-borderism impinges upon sovereignty and will lead eventually to Irish unification. All shades of unionism oppose nationalist neo-functionalist ideas of ‘creeping’ integration. Republicans and unionists share the same assumption of the viability and superiority of the nation state as a means of territorial (and societal) organisation, despite the growth of global trans-nationalism and the partial erosion of national sovereignty by the EU.

Conclusion

The main impetus to cross border activity in Ireland has been provided by the EU, rather than the GFA. EU financial aid has had a connective impact in creating cross-community user reliance upon funding, which has heightened political cooperation across supposed sectarian divides. The influence of the EU has thus been to assist societal reconstruction. At elite level, the EU’s influence has contained several elements. Firstly, membership of the EU held by the United Kingdom and the Irish Republic originally provided a forum for improved Anglo-Irish relations, allowing the bilateral territorial management evident since the Sunningdale Agreement in 1973.
Secondly, the cross-border element of the GFA was to some extent shaped by the EU model of all-island activity; sectoral; primarily economic and unthreatening to unionists. Thirdly, the GFA has harnessed existing work undertaken by the EU and placed it on a compulsory basis via the NSMC. Although the growing symmetry between GFA and EU all-island activity has been an elite driven process, it has been one supported by the majority of an electorate which is likely to become increasingly engaged in EU/GFA all-island economic activity. The connective impact of such engagement, which has minimal constitutional implications in the short-term, may further diminish lingering resentment between nationalists and unionists on the island.

Thus far, the contribution of the European Union has been primarily economic rather than political, an effort feeding into post-GFA structural arrangements through the SEUPB, the most important of the all-island bodies created under the GFA. The models of functional economic cooperation and removal of barriers between states evident across the European Union have been evident in cross border linkages between Northern Ireland and the Irish Republic. The GFA speeded the process of functional cooperation and heightened its political importance, without withering existing national loyalties. A gradual shift towards an all-Ireland economy has not been accompanied by sufficiently substantial movement towards an all-island polity. Nonetheless, the EU has been sufficiently successful in developing all-island projects to diminish traditional hostility between Northern Ireland and the Irish Republic. The EU’s roles in pushing an all-island economic cooperation, creating user reliance bridging traditional community divides and diminishing traditional zero-sum conceptions of sovereignty have been contributory factors to the willingness of most Irish republicans to embrace constitutional political methods, rather than ‘armed struggle’. As such, the EU has been a notable actor in the furtherance of conflict management in Northern Ireland, even if its main role has been as an economic agent rather than as an overt political manipulator.

NOTES:

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