



**The Centre for
Cross Border Studies**

The Centre for Cross Border Studies
Consultation Response:
Draft National Risk Assessment 2014

This response has been prepared by The Centre for Cross Border Studies as a contribution to the consultation on the Draft National Risk Assessment,¹ produced by the Department of the Taoiseach.

About The Centre for Cross Border Studies

The Centre for Cross Border Studies, based in Armagh, has a strong reputation as an authoritative advocate for cross-border cooperation and as a valued source of research, information and support for collaboration across borders on the island of Ireland, Europe and beyond.

The Centre empowers citizens and builds capacity and capability for cooperation across sectors and jurisdictional boundaries on the island of Ireland and further afield. This mission is achieved through research, expertise, partnership and experience in a wide range of cross-border practices and concerns.²

The response that follows, therefore, is closely informed by the Centre's particular concerns and organisational aims. It is also structured in order to highlight those concerns and aims, and conscious of the opportunities for cooperation between the Government of the Republic of Ireland and the devolved administration in Northern Ireland in the identification of common risks and of strategies to mitigate them.

¹ This consultation response was authored by Dr Anthony Soares, Research and Policy Manager at the Centre for Cross Border Studies.

² For further information, please visit www.crossborder.ie.

Introductory Remarks

The Centre for Cross Border Studies very much welcomes the initiative represented by the draft National Risk Assessment 2014 and the consultation currently being undertaken. The document is generally clear and comprehensive, and provides some acknowledgement of the risks inherent in living on an island with different jurisdictions, one of which continues to emerge from a long period of civil unrest.

The Centre for Cross Border Studies also welcomes the document's identification of the risks posed by "group think" and the need for other voices to be heard during the process of policy-making. In this respect, the Taoiseach's acknowledgement of "the mistakes of the past" and his call for "dissenting voices" to be "heard and discussed" are particularly apposite. However, **in order to ensure that those mistakes are not repeated, following on from the draft National Risk Assessment 2014, mechanisms such as a Forum need to be put in place** where views on various risks could be debated at regular intervals.

As this response will now go on to highlight, part of a more inclusive process in terms of the assessment of national risks entails greater account being given to the all-island and cross-border dimensions of the origins of and solutions to risk.

1. "Preparing a draft National Risk Assessment has itself been a useful process, facilitating discussion"³

1.1 Klaus Schwab's preface to the World Economic Forum's Insight Report, *Global Risks 2014*, sets out the need for a coordinated approach to identifying and managing risk that is multi-jurisdictional and multi-sectoral, stating: 'Stakeholders from across business, government and civil society face an evolving imperative in understanding and managing emerging global risks which, by definition, respect no national boundaries'.⁴ This imperative is equally valid in the design and implementation of Ireland's National Risk Assessment, particularly in the context of an island with a border whose existence should not prevent the identification of shared risks, or risks arising from one jurisdiction whose effects may be felt in the other.

There is no question that it is the responsibility and statutory duty of the Government of the Republic of Ireland to safeguard the interests of its citizens and that, therefore, a National Risk Assessment prepared by that Government should be consistent with those principles. However, and notwithstanding the inevitable cross-border dimension in operational terms, **it**

³ Department of the Taoiseach, *Draft National Risk Assessment 2014*, p.15.

⁴ The World Economic Forum, *Global Risks 2014: Ninth Edition*, p.7.

is the view of the Centre for Cross Border Studies that such principles would not be compromised by providing some clear orientation within the final version of the National Risk Assessment 2014 in regards to Northern Ireland’s possible role in mitigating risks faced by both jurisdictions – and not simply as a site of risk for the Republic of Ireland.

The draft National Risk Assessment 2014 alludes to the inter-departmental nature of the process of developing the document, as well as the involvement of government agencies, and ‘a number of people drawn from academic, business and other sectors’ (p.3). The broader strategic vision and capacity to take account of a wider risk landscape resulting from such a collaborative approach can be enhanced further.

1.2 In some areas of risk identified in the draft document the need for an all-island and cross-border approach is self-evident, but has to be made explicit. These include the risks posed by climate change, food security and the threat of pandemics, for example, whose outworkings will not take account of the border. Consequently, **the Centre for Cross Border Studies recommends that the final version of the National Risk Assessment make a clear acknowledgement of the necessity for an all-island and cross-border approach to such risks, and to the design and implementation of relevant strategies and policies.**⁵

1.3 There is reference to the importance of inter-connectedness of decision making and service delivery and a ‘whole of government’ approach in the draft assessment report. The Centre for Cross Border Studies very much recognises the importance of interconnections and policy alignment, otherwise there are a number of risks, such as waste of scarce resources or at worst policies working in opposite directions. These risks relate more to how policies and programmes are delivered and are important at national, regional and local level. The difficulty of achieving this approach cannot be underestimated given the departmental and budget structure of government administration. Notwithstanding those difficulties, **the aim of a greater degree of inter-connectedness should also encompass cross-border connections**, which may provide a more efficient use of resources for both jurisdictions.

1.4 Moreover, the Centre for Cross Border Studies firmly believes that **insufficient reference to all-island and cross-border dimensions in relevant policy documents – such as the National Risk Assessment – represents a risk of itself**. As Ruth Taillon, the Centre’s Director will state before the Committee on the Implementation of the Good Friday Agreement, “Since the demise of the Common Chapter, the limited but nevertheless important references to cross-border cooperation have dwindled and all but disappeared from major policy documents”.⁶ **Such marginalisation undermines the policy imperative for**

⁵ As the Centre for Cross Border Studies has pointed out most recently in its response to the report, *Measuring Wellbeing in Northern Ireland: A new conversation for new times*, produced by the Carnegie Roundtable on Measuring Wellbeing in Northern Ireland, for example, the need for such an approach is equally applicable in Northern Ireland. For the full response, see <http://www.crossborder.ie/wp-content/uploads/The-Centre-for-Cross-Border-Studies-Response-to-Wellbeing.pdf>.

⁶ Submission to the Committee on the Implementation of the Good Friday Agreement, 26 June 2014.

cross-border cooperation enshrined in Strand II of the Good Friday Agreement, with serious risks for the goal of peace and reconciliation on the island of Ireland, which cannot be achieved without an outlook that goes beyond a single jurisdiction.

1.5. Allied to this, **the Centre for Cross Border Studies believes that there needs to be clarity in who the decision makers are in relation to dealing with risk, at national, regional and local levels.** If this is not clear there is the possibility of stasis. In some cases decision-making authority needs to be delegated to a local level, but this needs to be complemented by good governance and accountability structures.

2. “Since the onset of the recession, appreciation of both the prevalence of economic risks and their complexity has increased considerably”⁷

2.1 Economic risks are rightly identified in the Draft National Risk Assessment as posing significant threats to the Republic of Ireland. The document points out, for example, that ‘Ireland’s economy and employment is heavily affected by a relatively small number of multinational corporations concentrated in a relatively small number of enterprise sectors’, and that ‘the possible effect of fiscal harmonization or other changes at EU or OECD level on Ireland’s corporation tax regime could have a significant economy-wide impact’ (p.7). In terms of the latter, current discussions regarding lowering the levels of corporation tax in Northern Ireland could also be taken into account.

However, within the economic domain, **the Centre for Cross Border Studies judges that the Draft National Risk Assessment has not given due consideration to the risk posed by imbalanced regional development.** This risk is not mentioned at all but there is currently a strong regional dimension to development and employment with the majority of new jobs being created in the greater Dublin area, resulting in the risk of under-development in other parts of the country. **It is for this reason that the Centre for Cross Border Studies has been proposing a Border Development Zone with a view to attracting and supporting development and jobs in the Border region.**

The 2012 John Bradley and Michael Best report, *Cross-Border Economic Renewal: Rethinking Regional Policy in Ireland*,⁸ commissioned by the Centre for Cross Border Studies, sets out both the risks to socio-economic cohesion posed by continuing lack of concerted efforts to develop the border economy, and the opportunities that such development would represent. The Centre for Cross Border Studies in partnership with a range of stakeholders has continued to develop the concept of a Border Development Zone,

⁷ *Draft National Risk Assessment 2014*, p.5.

⁸ The report is available at <http://www.crossborder.ie/pubs/2012-economic-report.pdf>.

and sees it as a vital element in addressing the serious risk posed by disparities within the economic development of both the Republic of Ireland and Northern Ireland.

2.2 The draft National Risk Assessment correctly points out that ‘There are some short term risks associated with the skills gaps which are emerging between labour market requirements and the nature and level of available skills’ (p.8). Similarly, the draft *INTERREG Programme 2014-2020* released recently by the Special EU Programmes Body states how in Northern Ireland ‘Supporting the Programme for Government, the Economic Strategy identifies an overall economic goal of improved economic competitiveness through a focus on exports driven by innovation, research and development, and the development of the skills of the workforce’.⁹ **The identification of a risk common to the economies of both jurisdictions on the island of Ireland underlines the necessity for the final version of the National Risk Assessment 2014 to address the need for the design of economic strategies and policies to be undertaken on an all-island and cross-border basis.** To do otherwise would be to risk duplicating efforts and wasting valuable resources as well as foregoing the potential opportunities that a cross-border approach would bring. Although it may be considered that through the North South Ministerial Council, for example, such efforts are already being undertaken, it is the view of the Centre for Cross Border Studies that the value of cross-border cooperation must be underlined in documents such as these in order to ensure the proper institutional embedding of such cooperation.

3. “Prices and wages could escalate to the point that they erode competitiveness”¹⁰

3.1 Whilst inflationary pressures must be closely monitored by policy-makers in the Republic of Ireland, the Centre for Cross Border Studies is concerned that Irish competitiveness should not be sought through the erosion of citizens’ real wages, particularly in the middle and lower socio-economic sectors of society. There is a significant risk that social cohesion would be seriously affected by such a course of action and, therefore, **it is the view of the Centre for Cross Border Studies that greater emphasis should be placed on the threat to social cohesion and economic progress of increasing inequalities in society in the National Risk Assessment.**

Indeed, the European Commission recently identified Ireland as a site for concern in terms of rising levels of inequality and the negative consequences for not only social and economic cohesion within the state, but also for regional and European cohesion. In the Commission’s *Eighth progress report on economic, social and territorial cohesion*,¹¹ its authors stress how

⁹ Special EU Programmes Body, *INTERREG Programme 2014-2020: The cross-border territorial cooperation programme 2014-2020 for Northern Ireland, the Border Region of Ireland and Western Scotland*, p.7.

¹⁰ *Draft National Risk Assessment 2014*, p.7.

¹¹ European Commission, *The Urban and Regional Dimension of the Crisis: Eighth progress report on economic, social and territorial cohesion* (Luxembourg: Publications Office of the European Union, 2013).

the ‘overall impact of the crisis on GDP and employment has been highest in the three Baltic States, Ireland, Greece and Spain’ (p.7), and that ‘highest increase in the gap between the best 10% performing regions and the bottom 10% regions, more than 8 percentage points, occurred in Ireland, Slovak Republic and Denmark’ (p.66). Importantly, in the Irish case the border region is one of those classified as lagging behind in terms of its socio-economic indicators, which are comparable to those of Northern Ireland.

A lack of progress in addressing rising inequalities or, indeed, the exacerbation of such inequalities through the pursuit of increasing competitiveness by the introduction of policies controlling the wages of middle and lower wage earners, risks growing levels of civil unrest and constitute a serious “drag” to the economy by those left behind (many of them living in the border region) as Ireland appears to emerge from the recent economic crisis. The impact of long years of civil unrest in Northern Ireland and the border region, on the health and well-being, and on the mental health in particular, of the individuals, families and communities involved is well documented, as well as on the overall impact on the functioning of society. Therefore, **the risk posed to social cohesion through rising inequalities should be given more prominence in the final version of the National Risk Assessment.**

4. “The Good Friday Agreement has delivered a stable peace process”¹²

4.1 In its geo-political outlook, the draft National Risk Assessment notes how ‘so called “dissident” republican and loyalist groups, with very limited levels of support, remain intent on disrupting the progress which has been achieved’ (p.10) in terms of the peace process in Northern Ireland. However, whilst it is entirely legitimate to identify the threat posed by dissidents in Northern Ireland, the Centre for Cross Border Studies believes that the socio-economic context that may allow such dissidents to garner support (however limited) should also be a cause for continued concern and attention for policy-makers in the Republic of Ireland. This is not only in relation to the need for continued cross-border support aimed at ensuring the success of the peace process in Northern Ireland, but also in regards to ensuring that regional disparities within the Republic of Ireland are properly addressed, thereby improving the unfavourable socio-economic indicators particularly visible in the border region. Again, success in achieving such an objective would be more likely if a cross-border approach were to be pursued.

4.2 The Centre for Cross Border Studies welcomes the draft National Risk Assessment’s identification of the risks posed by the proposed referendum of the UK’s membership of the European Union and the referendum on Scottish independence. Political instability on the island of Ireland or in relations between the Republic of Ireland and the United

¹² *Draft National Risk Assessment 2014*, p.10.

Kingdom would pose serious risks to the economic and social well-being of all people on the island of Ireland.

In particular, **the threat posed to Northern Ireland by the UK government's repositioning in relation to EU membership should not be underestimated** given EU support for Northern Ireland, and the positive effect that has had on socio-economic cohesion. **The withdrawal or reduction of that support and its resultant destabilisation of the socio-economic cohesion in Northern Ireland could pose a serious risk to the Republic of Ireland.**

Indeed, in its response to the *Review of Ireland's Foreign Policy and External Relations*, the Centre for Cross Border Studies noted how 'one of the most significant challenges facing Irish foreign policy in terms of the EU and its role in supporting peace and stability on the island of Ireland in the short to medium term, is how it may encourage the UK government to adopt policies regarding its own relationship to the EU that are not detrimental to socio-economic cohesion in Northern Ireland'.¹³

5. "The process of identifying and dealing with national risks highlights the need for consistent and good quality data"¹⁴

5.1 **The Centre for Cross Border Studies welcomes the acknowledgment within the draft National Risk Assessment of the importance of high quality data** to properly monitor trends, and of the need for robust evidence on which to base informed decisions leading to successful policy interventions. Indeed, given their central importance to the identification and mitigation of risks, **the Centre for Cross Border Studies recommends that data quality and robust evidence should be given greater emphasis in the National Risk Assessment.**

5.2 Given that, as has been pointed out throughout this response, the management of risks to the citizens of the Republic of Ireland will frequently require an all-island and cross-border approach, **the Centre for Cross Border Studies calls for greater attention to be paid to the cross-border coordination of data collection and data management, and for a greater degree of compatibility between data sets in the two jurisdictions** on the island of Ireland.

The ability to find cross-border or all-island solutions to problems affecting citizens of the island of Ireland is often complicated by gaps or incompatibilities in the available data. As Michael Burke notes in terms of the border economy in a report commissioned by the Centre

¹³ For the full response see <http://www.crossborder.ie/wp-content/uploads/Response-DFA-ForeignPolicyReview.pdf>.

¹⁴ *Draft National Risk Assessment 2014*, p.16.

for Economic Empowerment, ‘some attention is required to the co-ordination of economic data gathering and its dissemination’.¹⁵

6. Additional Risks

This response has already identified the **risk of imbalanced regional development** (2.1) as one that has not been highlighted by the draft National Risk Assessment. Additionally, the Centre for Cross Border Studies recommends that the National Risk Assessment should give consideration to the risks posed by low levels of education, and by the traffic and consumption of illegal drugs.

6.1 Underlying the risk posed by a skills gap (addressed in 2.2), is **the risk constituted by poor educational attainment, particularly in regards to levels of literacy and numeracy**. The existence of poor educational attainment will lead to increasing numbers of early school leavers, especially among immigrant communities who may not have command of the English language, and consequently barring them from access to third level education (an increasing necessity in the pursuit of employment in the 21st century).

6.2 **There are areas throughout the country with a high prevalence of illegal drugs and associated criminality**. There is a risk that if this problem escalates it could seriously damage Ireland’s reputation as well as seriously hindering economic development and social cohesion in the areas affected.

¹⁵ Michael Burke, *A Commentary on Economic Data in Northern Ireland* (2014), p.22. The full report is available at http://www.nicva.org/sites/default/files/Economic%20data_March2014.pdf.