

A UNITED IRELAND - BETTER FOR JOBS, ENTERPRISE AND RESEARCH



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A united Ireland will benefit all the people of this island including, very importantly, in economic terms.

Partition has been an economic disaster for Ireland, North and South. Economy and society across the island of Ireland are intertwined. Back-to-back development and wasteful duplication serve nobody, in either jurisdiction.

Brexit has merely served to highlight these issues. Meanwhile, the Good Friday and subsequent agreements have ensured that all-Ireland co-operation has benefitted people across Ireland.

This document shows how Irish unity would unlock the real economic potential of the island acting as a huge spur for economic growth leading to more jobs and an improvement in living standards across the island.

Research has repeatedly demonstrated that in terms of synergies, economies of scale and infrastructural development, a united Ireland makes economic sense.

There are simply no advantages for an island nation of 6.4 million inhabitants having two separate tax regimes, legal systems, and competing economic development programmes.

The recently-published and peer-reviewed *Modelling Irish Unification* study by Professor Kurt Huebner of

Vancouver University (2015) illustrated that the total combined Irish economy would perform better than the two separate economies, North and South, and could generate up to €35 billion in economic returns for Ireland based on the study's models.

Modelling Irish Unification adds to the growing body of work pointing to the very substantial net economic benefits of Irish Unity. No serious analysis or research exists that points to a contrary conclusion.

Unity would deliver sustainable economic growth and employment throughout the island. It would particularly benefit areas along the Border which have suffered as a result of Partition.

Unity would create a level playing field for trade which would not be dependent on the whim of currency exchanges or taxation differences on the same island.

Full economic integration would allow for fair and progressive taxation, regulation and trade. It would provide the tools for growth, employment and a better business climate across the island.

A united Ireland would bring economic stability and create an environment in which business can thrive.

Irish unity would clear the way to promote 'Brand Ireland', to replace competition with cooperation, to maximise inward investment and tourism, and to promote Irish products, produce and business.

Irish unity can unleash the true potential of Irish enterprise and innovation.

PARTITION IS BAD FOR BUSINESS

Having different economic structures, North and South, undermines Irish economic growth. Companies and workers are impeded by currency fluctuations, different levels of vehicle registration tax, differing tax rates and varying costs.

At different times, businesses on both sides of the Border have benefited or gone bust because of the fluctuating economic circumstances of two separate economies. Business does not like such instability which is an unsustainable long-term economic policy for the island.

Currently both parts of Ireland are attempting to improve their competitive advantages largely in isolation from each other and sometimes in competition with each other.

The dislocation and lack of alignment of strategic policy orientations has negative and disruptive impacts on investment, trade and job creation.

Irish businesses have been working at a disadvantage since Partition. They have never had full and free access to the entire Irish domestic market due to the creation of an artificial border, unnecessary regulatory barriers, red tape and duplication of services. Many of our urban centres have had their natural economic hinterland broken up, preventing them reaching their full potential.

Research by InterTrade Ireland has shown that a significant percentage of businesses want *"greater alignment in terms of regulation between the two jurisdictions."*¹

Long term business planning is affected by the requirements of two different regulations and currencies. Exchange rate fluctuations create volatility for businesses operating in both jurisdictions and impede long term planning.

There are numerous barriers, some large, though many are small and resolvable, that have real impacts on business across the island. The harmonisation of regulation in a way that enhances worker and consumer

¹ Regulatory Barriers to Cross Border Trade and Business

protections would massively benefit the development of Irish enterprise.

While a lot can be achieved through enhancing and expanding cross border and all-Ireland cooperation, this will remain a poor substitute for the potential provided to businesses, consumers and workers, by Irish unity.

The all-island economy is not an abstract concept. It already exists. It has evolved organically because businesses and entrepreneurs recognise the existence of a border should not impede their efforts to create jobs, expand their businesses and take advantage of markets on either side of the Border.

The North-South trading relationship generates beneficial returns even in the context of the constraints of Partition. For example;

- One sixth of sales by SMEs in the South go to the North
- Two thirds of Northern SMEs sales go to the South
- There are 1,933 different categories of products traded South to North, while 2,269 are traded in the opposite direction
- Cross border trade was valued at €2.7 billion in 2016
- The effect of non-tariff barriers, such as different licencing, labelling, safety regulations, customs

inspections and documentation, could reduce cross border trade by 16% or €432 million on 2016 trade levels. This would enhance trading levels to over £3bn.

2015 ²	North to South	North to Britain
Number of businesses exporting	7,395	6,644
The number of employees in these firms	167,175	150,791

Ireland would be better served by a fully integrated and unified economy which would remove the detrimental impacts of competition between the economies in both parts of Ireland and enhance all-Ireland structures.

There is no doubt that a fully integrated approach to economic development across the island would have a beneficial impact on trade, investment, economic growth, workforce capabilities and innovation.

² Source: InterTradeIreland



A UNITED IRELAND WILL TRANSFORM THE BORDER REGIONS

Partition has separated natural communities and economies in the Border counties. Derry was separated from Donegal, Fermanagh from Leitrim and Cavan, Tyrone from Monaghan, and Armagh from Monaghan and Louth. Unity would bring together once again the local economies of these natural regions and remove barriers to trade, including the impact of currency fluctuations. It would also provide for investment to redress the imbalances caused by Partition in communities by linking into transport and technology infrastructure.

A UNITED IRELAND ECONOMY MEANS A BALANCED ECONOMY

One of the benefits of economic unification would be an immediate 'rebalancing' of the economy, so that the total level of industrial production and manufacturing output would be more appropriate to the size of the economy as a whole, as would the

finance sector, which is very small in the North. This would need to be supplemented by policies to promote industrial development in the North, and to avoid overexposure to the finance sector in the South.

This would make the overall economy in a united Ireland more stable, balanced and diverse, addressing weaknesses and risks which currently leave each individual jurisdiction subject to potential external shocks in the financial and other sectors.

A UNITED IRELAND MEANS GREATER INVESTMENT

At present, differing bodies compete to market Ireland for inward investment. This duplication incurs administration costs and the false competition drives down the benefits of investments as investors play the North off against the South and vice versa.

The combined leverage, networks and experience of inward investment agencies would deliver a significant synergy for increased investment.

A single, island-wide agency and policy would drive investment and integrate the current efforts of the IDA, InvestNI, Enterprise Ireland and

InterTradeIreland. This would bring together the experience and expertise, on an All-Ireland basis, to ensure a fully integrated approach to investment and innovation.

The benefit of an all-Ireland approach to this work is obvious. To date, InterTrade Ireland has created 9,000 new jobs and offers a return on expenditure of 12:1. A new, unified Ireland would better promote the island as a location for investment.

Foreign Direct Investment (FDI) is an important part of the island's export potential. The current system whereby North and South compete with each other for the same investments both increases the costs and reduces the benefits accruing from FDI.

Unity would provide a competitive boost across the economy, particularly in sectors that are complementary and would develop the existing strengths, North and South, thus reducing the overall reliance on FDI.

New ideas are important for our export and investment growth, ensuring indigenous enterprises reach their potential and to ensure Ireland continues to attract Foreign Direct Investment, ideally leading to more collaboration between FDI and indigenous businesses through spillovers in innovation.

Key to realising the island's potential to increase investment, including FDI, will be strategic planning for a well-equipped island economy.

Which means:

- Investing in Ireland's transport network in order to connect regions and cities with one another while also enhancing intra-urban connectivity.
- Promoting a United Ireland as a location for investment and access to the Single European Market
- Ensuring our education and training system is providing students with the right skills and producing workplace-ready graduates.
- Ensuring workers have access to affordable childcare, housing and a proper public health service
- Pursuing investment from high growth and emerging markets together with new forms of FDI.

Investments in these areas will drive the growth of new sectors and areas of activity. A continued focus on investment in skills and infrastructure will improve our competitiveness.

A United Ireland would bring together experience, expertise and networks from the existing bodies, North and South, to drive inward investment.

A United Ireland would have the potential to become a global leader in attracting FDI in key sectors with good growth prospects into the future, but also to align that with a complementary strategy to develop indigenous businesses in these same sectors which can further strengthen Ireland's economic base.

A UNITED IRELAND MEANS INCREASED EXPORTS

To capitalise on future economic opportunities on an all-Ireland basis we need to expand our export base throughout European Union states while also factoring in the emergence of China, India and their neighbours when considering trade in a changed and rapidly evolving world economy.

Enterprise Ireland figures show that indigenous firms only account for 11% of exports in the South. This figure can be built upon, with a market diversification and product innovation strategy for SMEs.

Irish unity would clear the way to promote 'Brand Ireland', to replace competition with cooperation, to maximise inward investment and tourism, and to promote Irish products, produce and business.

Irish unity would allow for the coherent promotion of a single 'Brand Ireland' across the world, without wasteful duplication or confusion when promoting Irish products in export markets.

A UNITED IRELAND MEANS STRONGER RESEARCH AND COLLABORATION

Currently there is a limited but very successful amount of All-Ireland collaboration between third level institutions across the island, such as that between the Computer Science Research Institute (CSRI) at the University of Ulster, the Biomedical Diagnostics Institute at Dublin City University, and Trinity College Dublin's Institute of Neuroscience.

Third level institutions and their ability to carry out world class research and development are at a crucial juncture. There has been massive underinvestment in research and higher education in the last decade. Targeted all Ireland intervention is needed to ensure that these research facilities are fully equipped to deliver the knowledge and skills needed for both FDI companies and indigenous firms. Failure to do this will have a huge,

negative effects on growth and job creation opportunities in the future.

Irish Unity would allow for significant growth in the amount of cooperation between third level institutes across the island. Linking these research facilities would provide for greater coordination of research with the potential to escalate Irish scientific advances.

Ireland has one of the most educated workforces in the world. The share of 25-34 year olds in Ireland with a third level qualification is 52%, compared to an OECD average of 43%. Strengthening our third level institutions on an all island basis would add to the educated workforce potentially becoming a magnet for investment.

A UNITED IRELAND ECONOMY WILL STRENGTHEN KEY SECTORS

Through economies of scale and scope and combined strength, the island creates economic opportunities within the pharmaceutical sector, the production of medical devices, the software industry, and financial services.

InterTrade Ireland have scoped a number of these areas which are ripe for all-island development, in their 2015 report 'Mapping the Potential for All-Island Sectoral Ecosystems'.

These are channels for development and economic integration, and could facilitate a large increase in productivity and prosperity. Key to this must be a fair return to the public when public institutions and resources are used in the development of private enterprise.

Key sectors with high export potential within the current Irish economies, North and South, have clear indicators showing that the differing profiles can be complementary. Irish unity would create opportunities to further develop these sectors, particularly the indigenous sector.

Harnessing these opportunities would help create well paid, sustainable jobs, further develop Ireland's capacity to attract FDI in these sectors and contribute significantly to the economy and society in a United Ireland.

PHARMACEUTICALS

In the South the pharmaceutical sector is large, employing, 24,500. There is a concentration of International companies within the sector, with a small indigenous element. The International companies are mainly involved in production activities, with limited functions in the areas of drug discovery and product development.

In the North there is 8,400 employed in the wider Life and Health Sciences sector. In contrast to the South, most employees are engaged in work with large indigenous pharmaceutical companies. While foreign pharmaceutical companies are in the minority.

According to InterTrade Ireland, there are substantial opportunities in the

area for existing or new indigenous companies, due to the island hosting a large number of pharmaceutical production companies, which spend billions of dollars on procurement for use in their supply chains. Currently these companies import most of their advanced engineering and process control technology.

InterTrade Ireland has outlined how a more integrated market on the island, could allow for indigenous companies to fill this gap and provide important economies of scope and synergies as well as encouraging competition and innovation into higher value products and services. The strong indigenous engineering base in the North could play an important role in assisting with overall growth in the sector.

MEDICAL DEVICES

In the South, medical devices is an important sector, employing over 29,000 people, with foreign owned firm accounting for the majority of employment.

In contrast to the medical devices sector in the South, the North's medical devices sector is mainly composed of indigenous firms and operates at a much smaller scale.

According to InterTrade Ireland, the movement of the medical devices sector into the areas of medical software and data analytics has gained momentum in recent years, performing functions monitoring and mitigating medical conditions. This industry shift will require competencies

in software development, big data via cloud computing and knowledge of the EU medical device regulatory system. InterTrade Ireland has outlined how there is an opportunity here for the North and South to combine their academic and clinical knowledge together with the unparalleled concentration of software development, 'Big Data' and medical devices firms.

The simultaneous initiation of research by the Northern medical devices ecosystem and the Southern one, in the sphere of data analytics, offers potential synergies for both jurisdictions.

SOFTWARE

The South has a mix of indigenous and multinational firms in its software sector, employing 105,000 people. With over 1,500 enterprises in the sector there is huge variety within the sector.

The ICT sector in the North employs 28,000 workers in 900 ICT companies. Similar to the South, there is a mix of indigenous and multinational firms. According to InterTrade Ireland it also has a large number of very small micro enterprises involved in applications development and consultancy.

The highly skilled and youthful workforce has been a strength, North and South, in relation to the software industry. However, as InterTrade Ireland point out, recent strong growth in the sector requires an expansion of

the labour force with the required skills and a key concern of the sector, North and South, is the ability of the sector to attract sufficiently qualified staff. Is the argument here that unification would increase the job pool?

InterTrade Ireland have indicated that there is currently only limited cross border cooperation and there is clearly significant scope for enhanced All-Ireland cooperation. This would allow for both scale and scope economies within the software sector.



DELIVERING A STRONG UNITED IRELAND ECONOMY

A strong United Ireland economy can enable sustainable growth, deliver meaningful employment, facilitate balanced regional development and provide greater income equality. This can, and should be done in a progressive, climate friendly and inclusive way. To this end, an Inter-Governmental strategy is needed in order to ensure that the full potential of the all-island economy is realised in the immediate term.

An integrated economic development strategy for Ireland will remove the policy fault lines that currently hinder industrial renewal and economic development across Ireland. Greater integration would reduce barriers to trade and movement of goods, remove the challenges of differentiated tax systems and reduce the impact of currency differentials on business and trade. Departments in both jurisdictions should work actively to remove barriers to trade and develop shared economic projects and trade missions.

Particular attention must be directed towards addressing the peripheral nature of the economy of the border region by seeking to stimulate and

support indigenous industry and locate more FDI in the Border Development Corridor.

This, together with the co-ordination of economic planning and public services on an all-island basis, will lead to greater prosperity for all people.

By fully delivering on the potential of the all-Ireland economy through Irish unity, and through investing in proper integrated services, the number of good quality, well paid jobs will increase.

Every plan in every sector needs to seek to maximise the return on jobs across the country and ensure that citizens get the maximum benefit from the new economy. This would include putting in place and implementing an all-Ireland jobs and investment strategy which tackles current impediments for businesses transferring staff North or South. This would involve direct co-ordination between relevant Government departments to make it easier for employees to work on either side of the Border as well as plans for using Irish unity itself as springboard for job creation.



PROPOSALS

STRENGTHEN ALL-IRELAND COOPERATION AS A FOUNDATION FOR ECONOMIC UNITY

- Co-ordinate economic development on an all-Ireland basis. In the absence of a single all-Ireland Economic Department, ensure that Departments in both jurisdictions engage in joint planning from the point of inception right through to delivery and evaluation.
- Maximise the potential of InterTrade Ireland to progressively support and encourage all-Ireland trade and support businesses, through innovation and trade initiatives, to take advantage of All-Ireland opportunities for co-operation to improve capability and drive competitiveness and growth and create jobs.
- Remove transaction costs including banking, telecommunications, and administration costs on all-Ireland trade, investment, business development and job creation.
- Align all possible consumer and competition law and other regulations on the island
- Increase coordination between FDI agencies in order to maximise inward investment as well as the domestic enterprise bodies to provide supports to indigenous business

- IDA Ireland, Enterprise Ireland (EI), Invest NI (INI) and Local Enterprise Offices (LEOs) should produce a strategy and implementation plan to transform the Border regions.
- Implement an all-Ireland jobs and investment strategy as quickly as possible to ensure the maximum return in well paid, high quality jobs.

SUPPORTING THE TRANSITION TOWARDS A UNIFIED ECONOMY

- Make preparations for the alignment of the functions and powers of Local Enterprise Offices in the South and Local Enterprise Agencies in the North
- Make preparations for the subsuming of the functions of Enterprise Ireland and the domestic functions of Invest NI into a single all-Ireland enterprise agency which would capitalise on the domestic and international opportunities Irish unity would bring
- Make preparations for the subsuming of the functions of the IDA and the FDI functions of Invest NI into a single all-Ireland enterprise agency which would capitalise on the goodwill and support of investors
- Maintain ConnectIreland and the Succeed in Ireland initiatives, with a similar or enhanced programme. A United Ireland has the potential to harness, in a significant way, the

goodwill that exists from the Irish Diaspora, resulting in job creation across Ireland

- Seek supports from the EU to ensure businesses are supported through the transitional period
- Ensure an all-Ireland Government develops a comprehensive export strategy availing of the new dynamics and growth potential that Irish unity would bring
- Maximise the advantages in each of the existing jurisdictions to ensure that domestically owned businesses and FDI in key sectors complement and enhance each other
- Transfer the full range of economic powers from Britain to the North to facilitate the development of the United Ireland economy

- Sustainable and providing good quality well paid jobs and which can provide world class public services and a fair society
- Prosperous through increased investment, increased exports and economic growth

THE STRENGTHS OF A UNITED IRELAND ECONOMY

- Balanced with key strengths in both indigenous business and FDI
- Stable and diversified in order to withstand external shocks and which is adaptable to an ever-changing, global economy
- Successful as a global leader in sectors of high potential future growth such as pharmaceuticals and IT
- Internationally recognised for quality and high standards

