

A Partnership of Equals?

Insights from Ireland for Scottish-UK relations after independence

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Isolation or Interdependence? Competing Visions of Independence

The Scottish electorate have been presented with two contrasting visions of what it would mean for Scotland to be an independent country. For the UK government and Better Together, it would mean Scotland standing alone, isolated from the rest of the UK and lacking influence in the world. For the Scottish government and Yes Scotland, independence would mark a new relationship between the nations of these islands, with continued and extensive co-operation in a partnership of equals. This paper reflects upon the prospects for intergovernmental co-operation in the event of independence by looking across the Irish Sea. It is in three parts. The first considers the evolution of British-Irish relations. The second considers north-south relations on the island of Ireland. The third draws what insights these comparative examples lend to the debate over Scotland's constitutional future and the prospects for Scottish-rUK relations in the event of independence.

1. British-Irish Relations

Since the Treaty settlement that put Ireland on the road to independence, the UK and Ireland have shared a degree of interdependence, albeit to varying degrees. The two governments formally reached agreement in the 1950s that citizens of both countries could continue to move freely throughout what became known as the common travel area (later enshrined in the 1997 EU Amsterdam Treaty). Nonetheless, for much of the 20th century, relations were often strained. Successive British governments kept Ireland at arms' length in an effort to remove 'the Irish question' from the domestic political agenda. After the emergence of the Troubles and the imposition of direct rule in 1972, the Irish question once more dominated British politics. From an Irish perspective, Ireland remained dependent culturally and especially economically upon Britain for much of the 20th century, including with a currency pegged to sterling. When the British pound was devalued, so too was the Irish punt.



When the British government opted to join the European Economic Community (as it was then), Ireland joined simultaneously.

Membership of the European Union was a central factor that changed the nature of that relationship. Ireland and the UK remained economically interdependent, but other trading relationships flourished and reduced Irish dependence. For Ireland, and especially the Irish government, Brussels slowly exerted a gravitational pull, heightening the importance of Irish-EU relations. This marked a shift in Irish-British relations from post-colonial dependence to a 'normal' relationship between neighbouring sovereign states.

The conflict in Northern Ireland and the partnership approach to the peace process, especially under the leadership of Tony Blair and Bertie Ahern, helped to strengthen and institutionalise the new British-Irish relationship. Bilateral engagement built inter-governmental trust and networks of engagement that helped to develop the relationship across many other policy spheres, with the UK and Ireland often pursuing a common agenda in EU negotiations. The relative peace in Northern Ireland has also meant that it is no longer a 'first order issue' for the UK government, helping to normalise British-Irish relations. The relationship was strengthened further by the affinity between the two Heads of State. Mary McAleese had made 'building bridges' toward reconciliation the defining theme of her presidency, culminating in the Queen's visit to Dublin in 2011 – the first by a British monarch since Irish independence. The symbolic significance of this visit, which included laying a wreath at the Garden of Remembrance where those who fought for Irish independence are commemorated, paved the way for a new era in British-Irish intergovernmental relations.

"no-one who looked to the future over the past centuries could have imagined the strength of the bonds that are now in place between the governments and the people of our two nations, the spirit of partnership that we now enjoy, and the lasting rapport between us."

Queen Elizabeth
speech at Dublin Castle, 2011

British-Irish Intergovernmental Institutions

The Good Friday Agreement provided a formal structure for UK-Irish relations. These are formally underpinned by two institutions – the British-Irish Inter-governmental Conference and the British-Irish Council.

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- ❑ The **British-Irish Intergovernmental Conference** replaced the Anglo-Irish Intergovernmental Council and the Intergovernmental Conference established under the 1985 Anglo-Irish Agreement. The BIIGC has a permanent secretariat based in Belfast, and met regularly during suspension of devolution in the north. The last summit through this forum was held in 2007.

 - ❑ The **British-Irish Council** is a multi-lateral forum involving the UK government, the UK devolved administrations and the crown dependencies. The Council's objectives were to foster and strengthen practical relationships across the British Isles, and to encourage communication and co-operation between governments. Its secretariat is based in Edinburgh and its work spans a broad range of policy spheres, including energy, environment, early years, health, demography, digital inclusion, tourism and transport.

Research interviews suggest that the BIC is viewed positively as a forum of good communication, but without much expectation that it will produce significant outcomes. One official from Northern Ireland suggested its work streams were 'searching for a role', since the areas of work are already the subject of bilateral exchanges. Another from the Irish Republic suggested its meetings were 'a bit set piece' and could be more effective. A UK official underlined the importance of the BIC for the networking opportunities it creates for officials, and its symbolic status for Northern Ireland, but noted that it was never intended to be a decision-making body. The BIC is viewed more positively for the smaller administrations than the sovereign states, in spite of the privileged position the latter enjoy within it. The Irish government has shown more commitment to the BIC than has the UK government. But the close relationship currently being forged between the UK and Irish government is entirely outside of the BIC framework.

A New Partnership: Bilateral Relations under Cameron and Kenny

Outside of this statutory forum, there has been a step-change in British-Irish intergovernmental co-ordination, building on the feelings of goodwill generated by, and reflected in, the Queen's visit to Ireland in 2011. These relations go beyond issues related to the peace process. The **Joint Statement** in 2012, signed by the Prime Minister and the Taoiseach, underlined the close relationship between the two countries, founded in history,

"We intend that this Joint Statement will be the starting point for realising the potential over the next decade of even stronger relations for current and future generations living on these islands."

Joint Statement by the
Prime Minister and the Taoiseach, 2012

culture, business and family ties, and pointed to their shared interest and co-operation in trade and EU relations. The Joint Statement underlined a commitment to *'a decade of renewed and strengthened co-operation between our two countries'*, and kick-started an intensive joint work programme involving departments across the UK and Irish governments, with annual leader summits as well as regular meetings and extensive networking among senior civil servants led by the Permanent Secretary/Secretary General; 2012 saw around a dozen such meetings to explore and implement the goals set down by the two leaders.

The evaluation report, jointly commissioned by the two governments, revealed the depth of economic relations between the UK and Ireland:

- The UK remains Ireland's largest export destination, with 16% of total industrial exports in 2011 and 18.5% of service exports.
- Ireland is the 5th largest recipient of UK industrial exports - almost 6% of the total
- The stock of UK's Foreign Direct Investment in Ireland in 2011 was \$69.21bn; Ireland's stock of FDI in the UK was \$65.19bn
- An estimated 208,000 jobs in the UK result from exports to Ireland; an estimated 198,000 Irish jobs depend on exports to the UK

The nature of the UK-Irish economic relationship has changed in recent decades. Although still important for both nation-states, Irish dependence on the UK for both imports and as an export destination has declined significantly since Ireland joined the EU. Ireland also has an important economic, as well as political, relationship with the United States - the US is its most important single country partner for trade in goods - and the health of the Irish economy has been dependent upon FDI, especially from US multinationals. The evaluation report identified opportunities for closer co-operation across a range of sectors to facilitate trade, economic growth, security, including energy security, and health and well-being.

These recommendations have been incorporated into a joint work programme spanning around a dozen policy fields. Officials underlined that departments in both governments are being steered towards "co-operation beyond the norm". Already in 2011, the two governments had signed an agreement initiating a strategic joint work programme to enhance the security of the external border of the Common Travel Area, and to promote further cooperation in the area of mutual visa recognition, 'possibly up to a fully-common

short stay visit visa'; a visa waiver scheme is currently being piloted. In 2013, the two governments also agreed a Memorandum of Understanding committing them to work towards an agreement on renewable energy, which would see Ireland generate substantial wind energy, funded by the UK government, to help meet energy demand in England and help the UK meet its renewable targets.

Key Insights from the UK-Irish relationship

- ❑ Interpersonal links matter. Current UK-Irish relations are facilitated by the personal chemistry between the Prime Minister and the Taoiseach, as well as the close working relationship and mutual trust forged among officials
- ❑ In spite of the resource disparities between the two countries, officials from both governments confirmed that the relationship is conducted as an equal partnership. Ireland's embeddedness within the EU has helped it to decrease its dependence on the UK, and engage more confidently as a neighbouring sovereign state.
- ❑ Ireland is the UK's closest ally in Europe and, in spite of its size, it remains an important trading partner
- ❑ The UK remains Ireland's most important single country partner, but in many areas of public policy, the EU is the main focus of Ireland's intergovernmental engagement.
- ❑ The Irish government also has a 'special relationship' with the United States, including annual leader summits, and has negotiated bilateral agreements with a wide range of countries beyond the EU, e.g. over the mutual recognition of pensions and social insurance contributions.

2. North-South Relations on the Island of Ireland

On the island of Ireland, formal north-south cooperation takes place under the auspices of the North-South Ministerial Council (NSMC). The NSMC was set up to '*develop consultation, co-operation and action within the island of Ireland - including through implementation on an all-island and cross-border basis - on matters of mutual interest within the competence of the Administrations, North and South*' (GFA, 1998). Based in Armagh, close to the Irish border, the NSMC is staffed by a joint secretariat of around 25 civil servants from north and south of the border who, while remaining accountable to their respective ministers, have developed a common working culture and operate as a cohesive unit.

The NSMC meets in plenary format to oversee co-operation on the island of Ireland. Plenary meetings take place (on average) two times per year and involve delegations led by the FM and DFM from the Northern Ireland Executive and the Taoiseach. More frequent meetings, involving relevant ministers from both administrations, are held in sectoral format in legally designated areas of co-operation: agriculture, education, health, environment, tourism and transport. The main value of these meetings has been to develop mutual trust and a willingness to communicate and co-operate among those who would hitherto have had little inclination to do so. Co-decision on all-Ireland initiatives has been more limited.

"The NSMC Joint Secretariat in Armagh... is a living example of civil servants working and learning together to provide shared services... (with) intimate and intensive experience of helping both systems to cooperate and any part of either system can plug into this knowledge."

Michael D'Arcy, 2012

The NSMC also oversees the work of six implementation bodies, covering water-ways, food safety, trade and business development, cultural languages, EU special programmes, and the loughs that straddle the border. This arbitrary list was the result of horse-trading during peace talks, and reflects areas where there was an obvious incentive to cooperate and/or which were sufficiently uncontroversial to allay unionist fears that north-south cooperation may be a step towards integration. The bodies report to the NSMC twice a year, though in practice operate largely autonomously. Their policy programmes are developed in collaboration with the respective governments (separately) and the NSMC, and are overseen by a Board of Directors.


As in British-Irish relations, co-operation also takes place outside of these formal GFA frameworks. The most obvious and most effective area of cooperation is in energy, where the Irish and UK governments, through the Northern Ireland Office, had been meeting since before devolution to facilitate co-operation towards an all-island electricity market. As well as co-operation between the regulatory bodies in a Single Electricity Market (SEM) committee, officials from both departments meet regularly as a Joint Steering Group. Originally set up to introduce the SEM, the Joint Steering group now covers a wide range of energy policy issues and work programmes, driven in part by the need to co-ordinate the implementation of energy-related EU directives.

Co-operation in the Border Region

Some of the most extensive engagement has been in the border region. This has been strengthened by the removal of official border checkpoints and the activities of north-south implementation bodies, such as InterTradeIreland, whose remit is to foster cross-border trade. Cross-border collaboration has also been facilitated by EU funding, especially under INTERREG and the PEACE programme, which together have brought over €1.9bn in EU funding (excluding match-funding) since 1995. These funds are now overseen by the Special European Union programmes body – one of the six implementation bodies set up in the wake of the GFA. It is anticipated that fewer EU funds will be available in the years to come, especially as Northern Ireland moves further from a peace process to ‘normal’ politics.

Particular successes in cross-border co-operation have been evident at a local level, most notably in the *Co-operation and Working Together (CAWT)* programme, to facilitate cross-border collaborative working in health and social care. Its projects include managing the EU INTERREG IVA projects intended to remove border barriers, including through cross-border co-operation to support older people, children, people with autism disabilities and diabetes, and to promote social inclusion and labour mobility (<http://www.cawt.com/>). A recent report – based on interviews with officials – made the case for closer cross-border co-operation in economic development, health care, tertiary education and infrastructural development, but pointed to the practical difficulties in implementing shared public services across jurisdictions with have experienced 90 years of different institutional development (D’Arcy, 2012).

Further co-operation was fostered during the period of Irish economic growth, with the South investing in new hospitals, scholarships, research institutes, and the promise of improved transport links, including a Dublin-Derry road. Fiscal austerity - coupled with a change of administration in the south - has forced a retreat from many of these investments and encouraged the administration to focus on more domestic concerns. There remains a pragmatic incentive towards pooling resources, especially in health care, with north-south co-operation now less about the peace process and more about value-for-money. For example, the health ministers in Northern Ireland (a DUP minister) and the Irish Republic are currently examining an all-island approach to the provision of specialist cardiac paediatric surgery, which would see the concentration of resources centred in Dublin. The two governments have also combined to jointly invest in a Derry-based hospital which will provide services for patients north and south of the border, including building a new



radiotherapy unit for patients with cancer. But, domestic political and financial pressures mean that services such as health and education remain predominantly territorially-bounded within respective ‘national’ spheres, creating only limited scope for all-island decision-making.

3. Insights for Scotland

In the event of Scottish independence, relations between Scotland and the rest of the UK would have a very different starting point from the intergovernmental relations outlined in this paper. The world in which these relations would take shape is very different from that in which Ireland developed as an independent nation-state, and Scotland’s position within the Union has never had the colonial features that characterised the history of Ireland. Further, on the island of Ireland, North-South relations are being developed against the backdrop of the Northern Ireland conflict and peace process, as well as very separate institutional and political developments between north and south. Scotland has no recent history of political violence and Scottish-rUK relations would be founded upon a more integrated history, notwithstanding the distinctiveness of many Scottish institutions before and after devolution. In particular, the history of a shared civil service, wider shared public apparatus and the shared knowledge and mutual trust these have generated among public servants, would mean fewer practical barriers to north-south co-operation than those evident in Ireland.

There are, however, useful insights that the Irish experience can lend should Scotland and rUK need to develop relations as two sovereign states. Six are listed here:

The references to shared histories and interests set out in the 2012 Joint Statement signed by the PM and the Taoiseach could easily be applied to the Scottish-UK context, where the economic relationship is even stronger:

- Scotland's Global Connections Survey estimated £26bn in Scottish international exports in 2011, but almost twice as much (£48bn) in exports to the rest of the UK
- Exports from the rest of the UK to Scotland were an estimated £48.5 billion, making Scotland the second biggest market (after the US) for goods and services produced in rUK

While rUK could be expected to be an independent Scotland's most important single-country partner, investing in other bilateral and multilateral economic and political relationships, especially with the EU institutions, can help to avoid the Scotland-rUK relationship being characterised by dependence, and make the equality of status of both partners more meaningful in spite of inequalities in size and resource.

Effective intergovernmental co-ordination requires mutual trust, goodwill, interpersonal links and a perception that co-operation will bring mutual benefit.

Just as the trust built up during the peace process has helped to facilitate a better British-Irish intergovernmental relationship, we can expect that Scottish-UK inter-governmental relations in the event of Scottish independence (or indeed even in its absence) could be coloured by the manner in which the referendum and post-referendum negotiations are conducted. The Edinburgh Agreement is important in this respect, but not sufficient if overtaken by events.

Formal intergovernmental institutions can encourage co-operation and help to generate goodwill, shared knowledge and understanding across jurisdictional boundaries. An institutional forum for the border region could help to foster joint public service provision, minimise the effect of border barriers and capitalise on EU support for cooperation across borders.

Bilateral exchange – formal or informal - is more important and conducive to joint decision-making than multi-lateral forums such as the British-Irish Council. Strong historical, political, economic and cultural links would be a solid basis for continued bilateral exchange. A continued commitment to bilateral exchange will be necessary to facilitate co-operation in the longer term.

Further Reading:

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