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## EUROPEAN INTEGRATION AND DOMESTIC TERRITORIAL POLITICS: INTERREG III AND CROSS-BORDER COOPERATION

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# European Integration and Domestic Territorial Politics: INTERREG III and Cross-Border Cooperation

## **Introduction**

The emergence and consolidation of the European Union has had complex and varied influences on territorial politics within and between states and on the relationship between territory and governance. The Union's regional policies are designed to promote co-operation between different territorial units and in some cases jurisdictions. Increasingly, the EU provides the backdrop and context for cross-border co-operation. The Union's wide range of powers, particularly those arising from EU regulations and monetary policy have a major impact on the political economy of border regions. Programmes such as INTERREG, the Community Initiative specifically designed for Europe's borderlands, provide financial incentives and an institutional model for cross-border co-operation.

The objective of this paper is to analyse the interaction between the planning and negotiation of the INTERREG III programme for the border between the Republic of Ireland and Northern Ireland, the establishment of new political institutions arising from the Good Friday Agreement and the 'bottom-up' mobilisation of cross border groups seeking an enhanced role in the deployment of INTERREG III monies. The analysis is developed in three sections. Section one analyses the significance of the Irish border, its contested nature, the emergence of a European role in promoting cross-border cooperation and the continuing obstacles to co-operation. Section two explores the dynamics of change in relation to the role of the European Commission, the establishment of new institutions following the Good Friday Agreement, and the bottom up mobilisation of cross-border groups.

Section Three analyses the way in which these changes have played out in the development of the INTERREG III programme.<sup>1</sup>

### **Section One: The Irish Border**

Political borders are highly significant markers—they denote where the territory, and hence sovereignty, of one state ends and that of another begins. Borders may be geographically defined by a physical barrier such as a river, lake or mountain, or they may be lines on a map, the products of political agreement or disagreement, not of the natural world. Borders are multifaceted and ambiguous, both conceptually and in lived experience. A four-fold classification of borders as ‘barriers’, ‘resources’, ‘bridges’ and ‘symbols of identity’ captures their multidimensional character (O’Dowd, 2000). The history of European integration in the post-war period has been characterised by efforts to reduce the ‘barrier-like’ nature of the internal borders of the European Union. Put simply, the objective is to transform ‘barriers’ into ‘bridges’. Most West European borders are by now accepted both by those living either side and by national authorities—in other words, they have been normalised. Others remain contested, and this brings an added challenge to efforts to foster cross-border co-operation.

The border between the Republic of Ireland and Northern Ireland runs for some 343 kilometres, demarcating the reach and limits of formal Irish and British sovereignty on the island of Ireland. Formal provision for the partition of Ireland was made in the Government of Ireland Act (1920), an act that made provision for two parliaments,

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<sup>1</sup> The material for this paper draws on a study completed in May 2001 for the Centre for Cross-Border Studies in Armagh. The research was conducted at the Institute for British-Irish Studies (IBIS) in University College Dublin (See Laffan and Payne, 2001). The authors undertook a second round of interviews with those involved in cross-border co-operation in May-June 2003. We would like to express our appreciation of the research assistance provided by Brid McGrath.

one for the people of the 26 counties and a second for those living in the six counties of Northern Ireland. Partition became a political reality with the ratification of the Anglo-Irish Treaty in 1922 and the border was further entrenched with the failure of the Boundary Commission in 1925 to significantly change the territorial limits established by the Government of Ireland Act. The border, running in some places through farms, villages and towns, was drawn in an arbitrary manner depending on pre-established county boundaries. It created not just an international boundary between two states but what political geographers would call a frontier zone or border region. The Irish border region was and remains culturally and ethnically mixed (O'Dowd, 1992).

The Irish border was consolidated with the separate development of two states on the island. It became a container of two different political systems, legal jurisdictions, systems of public policy making and, some would argue, societies. Although highly permeable, the Irish border was never normalised or fully accepted, unlike most other borders in Western Europe. From the outset, the border was contested by nationalists in Northern Ireland, many of whom felt trapped in the wrong state, and by the fledgling Irish state from 1922 onwards. The constitutional claim contained in the Irish constitution of 1937 over the island of Ireland was not superseded until the referendum in on the Good Friday agreement in 1998. Although the remit of the Boundary Commission in the 1920s stipulated that the boundary should be drawn 'in accordance with the wishes of the inhabitants', in reality the boundary was imposed on rather than agreed and accepted by a majority of those who lived in the border region. The border was violently contested in the 1920s and again with the IRA border campaign of the 1950s. The outbreak of communal conflict in Northern Ireland from 1968 onwards drew renewed attention to the contested nature of the Irish border

as the state authorities on both sides moved to enhance security in an effort to counteract the spread of terrorist violence. The history and legacy of cross-border co-operation in Ireland must be seen against this backdrop of conflict (Tannam 1999).

### ***European Union Role?***

The EU's role began with a series of low-key reports outlining the economic problems of the Irish border region and strategies for its development. In the late 1970s, the North West Communications Study (1978) and the Erne Catchments Area Study (1980) were co-financed by the Commission, in addition to a number of programmes for tourism, small business and handicrafts. This was followed by a report on *Irish Border Areas* by the Economic and Social Committee (ESC) in 1983, which recommended a strengthening of cross-border initiatives and the use of EU budgetary mechanisms to finance such initiatives. Financial transfers became a key and enduring feature of the Union's policy towards the Irish border region. Financial transfers from Europe came, however, with strings attached in the form of Commission and EU preferences about how its monies should be deployed. Because of its financial resources, the Commission was in a position to negotiate with state authorities about the use of EU monies.

The significance of the 1983 report on *Irish Border Areas* lay in its identification of the serious economic problems experienced in the border region. It confirmed that the border generated particular obstacles to economic development and that the border region, like other border regions in Europe, suffered from economic peripherality (O'Dowd and Corrigan, 1995, p. 337). The report highlighted the region's dependence on agriculture and catalogued the impediments to improvements in agriculture such as poor soil, established patterns of inheritance and marriage and farm size (ESC, 1983, p. 1). The report argued that a broad development programme

should be drawn up for the border area and that the Irish border zone should ‘be given priority for Community assistance’ (ESC, 1983, p. 9). It was not, however, until 1990 that the EU had a specific policy instrument—INTERREG—designed to overcome the obstacles to development in border regions and to promote cross-border co-operation.

The first *Ireland: Northern Ireland* INTERREG Initiative lasted from 1991 to 1993. It built on the tentative efforts of the EU as it promoted cross-border co-operation in the 1980s. The programme explicitly identified problems of peripherality and the manner in which violence had exacerbated the economic problems of the border area. . The overall programme was the responsibility of a monitoring committee chaired by the Department of Finance (DOF) in Dublin and the Department of Finance and Personnel (DFP) in Belfast. The monitoring committee and the related civil service networks in both administrations were responsible for the delivery, monitoring and management of the programme. INTERREG I was designed and negotiated in an inter-governmental framework. Although the programme document claimed that there ‘was extensive consultation with local bodies internally by both governments’ in the preparation of the programme and that ‘both governments took into consideration comments and submissions made at local level’, there was in fact very little involvement by those living in the border area in the design and management of the first INTERREG. Nor did the programme reflect any agreed cross-border strategy for overcoming the obstacles to economic development. By and large, the programme took the ‘form of parallel rather than related projects on either side of the border with little direct connection between them’ (O’Dowd, Corrigan and Moore, 1995, p. 280). The official evaluation of INTERREG I identified a lack of consultation, the limited local contribution to the programme and problems of matching finance as key

obstacles to fostering of cross-border co-operation through the programme (O'Dowd and Corrigan, 1995, p. 346). The centralised nature of the implementation process continued under INTERREG II. There was variable and mixed success in progressing the INTERREG II measures towards genuine cross border action and little capacity to involve local and regional actors in strategic decision making during the monitoring and implementation (Laffan and Payne, 2001).

During the latter half of the 1980s and the early 1990s, there was a growth of cross-border linkages that was driven by business interests in search of a 'one island economy' and by local groups along the border in search of economic regeneration. Cross-border networks expanded among the business sector, public agencies and civil servants (Tannam, 1999). However, academic analyses of cross-border co-operation in the Irish border region in the 1990s identified continuing and deeply rooted problems hampering cross-border co-operation (Anderson and Goodman, 1994, Anderson, 1998, Lyne, 1990, O'Dowd, 1992, O'Dowd, Corrigan and Moore, 1995, O'Dowd and Corrigan, 1995, Tannam, 1999). Some of these problems were common to all efforts at cross-border co-operation throughout Europe but others arose because of the nature of the Irish and British states and the contested nature of the Irish border. The three key obstacles to cross-border co-operation on the Irish border were the political symbolism of co-operation, the centralised nature of the Irish and Northern Irish states, and difficulties of matching up.

### ***The Political Symbolism of Cross-border Co-operation***

Traditionally, and not unexpectedly, cross-border co-operation has met with very different responses from unionists and nationalists. For unionists, cross border co-operation could be likened to a Trojan horse, a device to lure them into a united Ireland by stealth. Agreement to any form of cross-border co-operation could be

construed as a step towards integration with the Republic and was thus anathema to most unionists (Tannam, 1999, p. 6). Unionist concerns were captured by O'Dowd and Corrigan in their study of the attitudes of local councillors towards economic co-operation in the border region. The unionist respondents to the questionnaire, asserted that economic co-operation would only be possible if the Republic dropped its claim to Northern Ireland and prevented its territory being used by terrorists. The unionist councillors felt that if these conditions were met improved cross-border co-operation might be possible. One respondent argued that 'If the republic relinquished its territorial claim to Northern Ireland, there could be much better cross-border economic co-operation.' Another suggested that 'some co-operation on a limited form should exist between North and South e.g. in tourism, electricity, road structure and travel, but with the Anglo-Irish Agreement still in existence very little progress will be made' (quoted in O'Dowd and Corrigan, 1995, p. 341-2). For unionists, the key objective in relation to cross-border co-operation was to ensure that it did not in any way dilute British sovereignty in Northern Ireland. Moreover, economic co-operation would remain secondary to political concerns and priorities.

For nationalists, on the other hand, cross-border co-operation was something that was welcomed and perceived as very beneficial for economic and political reasons. For John Hume and the SDLP, EU generated co-operation would dilute the negative effects of the Irish border and would facilitate reconciliation between the two communities in Northern Ireland and between North and South. John Hume became a vocal advocate of a 'Europe of the regions', a Europe in which central state power was weakened. From an SDLP perspective, improved cross-border co-operation in the Irish border area would simply replicate what was happening in other European border regions. Sinn Féin echoed the SDLP's support for cross-border but without the



same enthusiasm for European integration and European supranationalism. All political parties in the Republic supported cross-border co-operation in whatever guise. Successive Irish governments supported the European Commission in all of its efforts to diminish barriers to cross-border co-operation.

### ***The centralised nature of the two states***

Contrasting political attitudes towards cross-border co-operation was by no means the only obstacle to cross-border co-operation in Ireland. Efforts to design and manage genuine cross-border projects in a delegated and decentralised manner had to contend with the highly centralised nature of the two Irish states. The reform of the structural funds in 1988, with its emphasis on partnership and 'bottom-up' development did not fit easily into the dominant style of public policy making on either side of the border. The authorities in Dublin and Belfast were quick to assert their role as 'gatekeepers' in relations with Brussels. In the Republic, the Department of Finance dominated the design and implementation of the National Development Plan. It engaged in limited and largely cosmetic consultation with sub-national actors. The plan reflected national sectoral imperatives rather than regional and local ones. However, the availability of structural fund monies generated extensive local mobilisation with the result that the sub-national dimension became more significant in the development of the second National Plan (1994-99). Gradually the stranglehold of central government was weakened and a multiplicity of policy instruments evolved that were designed to foster local development. The situation in Northern Ireland was not dissimilar. The Department of Finance and Personnel (DFP) was the key actor in the elaboration of the North's Community Support Framework with limited consultation of local interests. The cross-border dimension was minor in the plans submitted by both jurisdictions for funding under the first round of financing (1988-93).

### ***Difficulties of matching up***

All efforts at cross-border co-operation face institutional and jurisdictional obstacles. A number have been identified as salient in the context of the Irish border region. First there are different sets of public institutions on both sides of the border with different competencies, geographical remits, financial resources and degrees of autonomy. In addition, there has been a high degree of rivalry between some agencies in the past, notably in the areas of industrial development and tourism (Lyne, 1990). Second is the perception that 'For most government departments in Dublin, as in Belfast, involvement with another jurisdiction is at the very least 'non-standard' and can be seen as upsetting long established procedures and power relationships' (Anderson, 1998, p. 83). Garret Fitzgerald in his autobiography acknowledged that parts of the Irish civil service were not particularly enthusiastic in their response to the new institutions mooted under the Anglo-Irish Agreement. He concluded that 'Other departments were notably reluctant to concede parts of their responsibilities to this proposed North-South body, which they seemed to see as some kind of external threat to the institutions of the state (Fitzgerald, 1990, p. 203). Third, the powers of local authorities are different on both sides of the border, which can make it difficult to initiate and implement joint strategies. For all of these reasons, cross-border co-operation on the Irish border, even when supported by the INTERREG programme, faced difficult challenges.

## **Section II: The Dynamics of Change**

### ***The Good Friday Agreement***

The institutional framework within which EU funded cross-border co-operation would evolve was altered by the Good Friday Agreement of April 1998. This agreement altered the political and institutional dynamics of relations on between the

two parts of the island and between Ireland and Great Britain. This institutional model was deliberately multi-layered, with consociational and intergovernmental features, as it sought on the one hand to satisfy unionist demands for the protection of British sovereignty in Northern Ireland, and, on the other hand, to dilute the hard edges of that sovereignty (Cox, Guelke and Stephen, 2000). Paradoxically, the agreement re-affirmed formal sovereignty but altered the institutional environment within which it is exercised. The Agreement had three strands. Strand one dealt with political and institutional arrangements for devolved government within Northern Ireland. Strand two provided for north-south institutions and strand three for east- west institutional mechanisms between the two islands. For the purposes of cross-border co-operation, the north-south institutions were the most important.

Strand two of the Good Friday agreement dealing with North-South institutions was a particularly sensitive strand for the unionists. Unionist opinion had reacted angrily to the 1995 framework document that had included a strong reference to North-South Bodies. The framework that emerged from the tough bargaining among the participants in the talks has at its apex, the North-South Ministerial Council (NSMC).

The remit of the Council is to:

bring together those with executive responsibilities in Northern Ireland and the Irish government, to develop consultation, co-operation and action within the island of Ireland- including though implementation on an all-island and cross-border basis- on matters of mutual interest within the competence of the Administrations, North and South (Good Friday agreement, 1998, p. 12)

The duality of the focus of the NSMC—all-island and cross-border—is captured in this formula. Provision was made for three Council formats under the umbrella of the

North-South Ministerial Council. First, the Council meets in plenary format twice a year, which in practice means the ministers in both governments. Second, the Council may meet in different sectoral formations depending on the policy area in question. For the purposes of INTERREG, the relevant ministerial formation involves the Finance Minister from Dublin and the Minister of Finance and Personnel in Belfast. Third, the agreement made provision for a Council format to consider institutional or what were called cross-format matters. There is a striking similarity between the Strand Two institutional format and the structure of the Council of Ministers in the European Union. The plenary could be likened to the European Council, the sectoral formats to the sectoral Councils of Ministers and the cross-format Council to the General Affairs Council of Foreign Ministers. The significance of the North-South Ministerial Council is that it provides a formal institutional channel, supported by a secretariat in Armagh, for the office holders in both jurisdictions to 'develop consultation, co-operation and action' on an all island and cross-border basis. The provisions relating to strand two clearly identify the NSMC as a decision-making body rather than a consultative one.

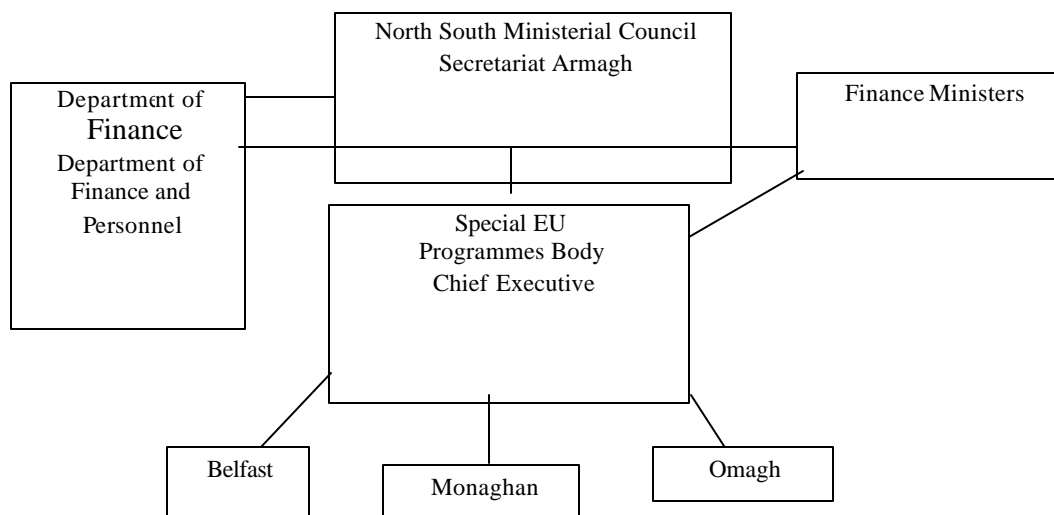
The agreement went on to establish the broad parameters of the work programme of the North South Ministerial Council (NSMC) as it specified a number of areas of co-operation and implementation with a cross-border and all-island remit. On 18 December 1998, agreement was reached on the establishment of six North-South Implementation Bodies, including the Special EU Programmes Body (British-Irish Agreement Act 1999, Government of Ireland, North-South Co-operation (Implementation Bodies) (Northern Ireland Order 1999)). Given the history of EU programmes in the border region, the establishment of the Special EU Programmes Body was not unexpected although it was not universally welcomed. There was a

well-established bureaucratic apparatus in the two finance departments and within other departments for the development and implementation of European programmes in both jurisdictions. The introduction of a new body would inevitably disturb established processes and norms in the policy cycle. It implied that civil servants from different administrative cultures would have to work in a co-operative process. Moreover, the SEUPB as an organisation would be beyond the direct control of either jurisdiction. The timing was also problematic as the new body was set up at a critical moment towards the end of one European programming period and at the beginning of another. The new body would have to come to terms quickly with the Union's programming timeframes.

It emerged from the INTERREG Consultation Conference in June 2000 that 'there was a lack of awareness amongst a number of delegates of the existence, role and functions of the North-South implementation bodies' (SEUPB, 2000). Uncertainty about the future role of the body among civil servants permeated the interviews undertaken for the study that forms the background of this paper during the latter half of 2000 (Laffan and Payne, 2001). One interviewee argued that 'The SEUPB is very new. They have been dropped in at the deep end and face a lot of uncertainty' (Interview material). Another claimed that his organisation 'are trying to conceptualise what change the SEUPB will bring. If it is engaged in selecting the projects, where will that leave the department? If it isn't engaged in selection will it just be another layer of bureaucracy?' (Laffan and Payne, 2001). Other officials, however, welcomed the body. One suggested that 'The new body in Belfast is a welcome addition. There has been a democratic deficit, with officials doing what might otherwise fall to elected representatives. In the Ireland/Wales INTERREG there was more involvement of elected representatives' (Laffan and Payne, 2001). Another

had a clear vision of the potential role of the body as ‘the glue that holds the whole thing together. It will be giving advice to whoever is charged with the delivery of the programme. It is permanent and a font of knowledge on cross-border matters, so that in this way it goes beyond the current DFPs. However, there is no sign of it shaping up like this yet’ (Laffan and Payne, 2001). This latter comment illustrates the challenge facing the Special EU Programmes Body as it strives to carve out a niche for itself.

**Figure 1: Institutional framework of the Special EU Programmes Body**



The body has offices in three locations which emphasises its all Ireland and cross-border dimension. The head-quarters were established in Belfast and the Monaghan INTERREG Office was subsumed into the new body. A third office was opened in Omagh. The Monaghan office was originally opened as the INTERREG office, the first EU office to be situated outside Dublin. All three offices have lead responsibility for different facets of the mandate. Essentially the Belfast Office leads on PEACE, Monaghan on INTERREG, and Omagh on the Common Chapter and the cross-border

sub-programme of PEACE II. Monaghan and Omagh have a strong cross-border remit whereas Belfast acts as the corporate centre. The creation of the SEUPB and its links to the North-South Ministerial Council fundamentally altered the institutional environment within which EU funded cross-border co-operation would take place. It altered the opportunity structure for existing cross-border groups and enabled them to channel political demands in new directions. See Figure 1.

### ***Bottom-up Mobilisation***

Although there are a number of different groups involved in co-operation across the Irish border, three cross-border networks have emerged as the major players. The three networks are the North-West Region Cross Border group (1975), the East Border Region Committee (1976) and the Irish Central Border Areas Network—ICBAN (1995). The establishment of ICBAN in the centre completed the coverage of the border area and opened up the prospect of a joint border strategy. The networks involve co-operation between the local government tier—county councils in the Republic and District Councils in Northern Ireland—on both sides of the border. A total of 18 councils constitute the membership of the three networks. Although not without difficulty, the networks have managed to embrace unionist dominated councils or councils with a large unionist minority. In an study of mechanisms for cross-border co-operation in local government, the networks were identified as the most ‘advanced model of development ‘ and the study found that ‘Significantly the networks have been able to generate cross community political support for their activities (Birrell and Hayes, 2001, 63)

The motivation for establishing the networks was both political and economic. Politically, there was a desire to promote cross-border co-operation to help alleviate the impact of violence and communal conflict in these areas. For those councils on the

northern side of the border with nationalist majorities, cross border co-operation was always regarded as a political good in itself. Unionist councillors, on the other hand, were willing to embrace functional co-operation that did not have political overtones. Second, there was a pronounced sense of remoteness from the centres of government in both Dublin and Belfast. Running through the policy documents prepared by the groups was a sense of distance and peripherality from the centres of power in Dublin and Belfast. The lack of influence over public policies in their areas was a major grievance. It was felt that mutual benefits could flow to both sides of the border if they co-operated within a geographic area that provided a natural hinterland.

The availability of EU monies was critical to the development of the networks. INTERREG II money financed the secretariats from technical assistance monies during the INTERREG programming period. It could be argued that INTERREG provided the resources that have enabled the networks to enhance their capacity and presence in their respective regions. Without permanent secretariats and network managers, the networks could not have become players in the INTERREG process. The networks had minimal involvement in the preparation of the INTERREG II programme but participated in the programme as beneficiaries. As a result of this involvement and prompted by the Commission official who sat on the monitoring committee, the networks became much more ambitious concerning their role within their own regions and in relation to the INTERREG programme. The Commission official Eddie Hartog, acting as a policy entrepreneur, strongly encouraged the networks to begin to adopt a programme approach and a border corridor strategy. He wanted to push them beyond narrow local agendas towards a concept of co-operation that embraced the entire border region. According to Greer, 'The Local Authority Networks have been on a sharp learning curve leading to their greater maturity and



importance as actors for development in the border region' (Greer, 2000, 63). The study on cross-border co-operation cited above concluded that 'EU funding clearly built the capacity and confidence of the networks and the establishment of administrative and secretarial support helped them to develop' (Birrell and Hayes, 26). This finding is supported by an analysis of partnership arrangements in Northern Ireland which concluded that 'The role of European funded initiatives has had a significant influence on the formation and institutionalisation of partnerships and the development of cross-sectoral decision-making processes' (Knox, 2002, 2). Engagement with the Commission and with other cross-border regions through Lace-Tap broadened the horizons of the groups and heightened their ambitions concerning their role in cross-border co-operation. An analysis of partnerships in Northern Ireland categorized partnerships on the basis of their aims on a continuum from lobbying, through advocacy, implementation and service delivery. See Figure 2.

Figure 2: The Partnership Continuum



Source: Knox 2002, 2.

The cross-border networks were established to lobby on behalf of their respective areas and to act as advocates of enhanced cross-border engagement. The experience of involvement in INTERREG led them to seek an implementation role with regard to INTERREG III. They would, however, have to negotiate with key actors to move from advocacy to implementation.

### ***The Influence of the Commission***

The influence of the Commission as a promoter of cross-border co-operation in Ireland is multi-dimensional. First, the Commission through its budgetary instruments, INTERREG and Peace, provides financial inducements for co-operation.

Second, individual Commission officials were and remain a source of ideas and strategy. Third, the Commission was and remains a source of support and legitimization. In 1998, the three cross-border networks sent a joint delegation to Brussels to discuss integrated development plans for their areas. Since then the groups have cultivated a relationship with the Commission that is deployed in the domestic bargaining about their role. The co-ordinator of one of the groups revealed that the groups 'get on very well with (named Commission official). We make it our business to develop these relationships. It's vital' (Interview, 16 June 2003) The Commission's influence is deeper. Because it controls the purse strings, the Commission establishes the framework for EU funded cross-border projects. In April 2000, the Commission issued its guidelines for INTERREG III, establishing its preferences for the development, management and evaluation of INTERREG III. In its guidelines the Commission set out in clear terms the key principles underpinning INTERREG III. Programmes seeking EU finance would have to be based on a joint strategy, joint priorities and joint programming. In addition, the operations selected to implement the programme must be 'clearly cross-border/transnational in nature' (EU Commission, Guidelines INTERREG III, 2000, 4). Admissibility would be determined by compliance with these principles. In addition, the Commission underlined its well established preference for partnership and a 'bottom up' approach to developing the programme. The Commission required a 'wide partnership' involving public partners and economic and social partners and non-governmental bodies. In this way the Commission influenced the number and character of the actors that would have access to INTERREG. The Commission guidelines for INTERREG promoted a model of cross-border co-operation that was driven by joint planning and implementation following a participative and 'bottom-up' approach to programming. The Cross-

Border networks had clear preferences about the future of INTERREG and were prepared to use the Commission guidelines to buttress their demands. The support of the Commission for an enhanced role for the networks was however but one element in the preparation for INTERREG III. The networks would have to alter their internal structure and navigate the new institutional landscape emerging in Northern Ireland and between north and south to secure their preferences.

### **Section III: From Advocacy to Implementation**

The cross border groups began to re-position themselves in the policy network during the latter half of the INTERREG II programme. In 1998, the three networks decided to prepare a report on a 'Border Corridor Strategy' as their contribution to how INTERREG III should be deployed. The report had three main aims. First, was the aim to insert into the policy debate the spatial concept of a 'Border Corridor'—a distinctive region in an all Ireland context. Second, was an analysis of the changing strategic context within which the networks operated and an exploration of the role they might play in the future. Third, was an assessment of the needs of the three sub-regions in the Border Corridor Area based on integrated area plans. The report was endorsed by a joint meeting of the Border Corridor groups in July 1999. The report provided the groups with the broad outline of a shared vision of what they wanted to achieve and how they might achieve it in the context of INTERREG III. The report was welcomed by the Commission as an example of how other countries, such as those in East/Central Europe could integrate with one another and with the EU (*Irish Times*, June 30, 1999).

The demands by the networks for an enhanced role were contested by other actors in the policy frame. Reservations were voiced by civil servants in government departments and local groups. Reservations about the future role of the networks

were voiced by civil servants, particularly those in the Northern Irish civil service. A selection of views illustrates the prevailing attitudes:

‘It is unclear whether the use of the cross-border groups would remove, replace, or even add a layer of bureaucracy. The department would be reluctant to relinquish overall responsibility’ (Laffan and Payne, 2001)

‘If delivery is handed over to ICBAN and the other networks would they end up conflicting with other programmes/national priorities? It would be ok if they were to bid into the steering group, but one wonders about their capacity and the key of complementarity..... there are risks in using untried groups’ (Laffan and Payne, 2001)

‘There is a time problem. The networks will not be able to decide early enough what projects to do. This is a weakness of the new set-up, despite it being good for cross-border. The flexibility, which is the key, will be lost’ (Laffan and Payne, 2001)

These sentiments were echoed in the INTERREG III programme submission which stated that ‘there was much opposition, as well as much support, to their involvement in the new Programme in any substantive way’ (INTERREG III A Programme 2000-2006). How then did the cross border groups overcome this opposition to secure a role for themselves?

A key challenge for the networks, evident in the above quotes, was to convince the central governments that they had the capacity to develop and manage programmes at the regional level. The networks, in the past, were frustrated at the lack of central government support for their initiatives. The administrations, on the other hand, were reluctant to give the networks greater autonomy and funding power as they were

concerned that the networks were not competent enough 'to administer funds and lead regional development' (Greer, 2000, p. 62.). The networks had to convince the two governments and the Special EU Programmes Body that 'they can act responsibly and can formulate and implement an integrated strategic plan' (Greer, 2000, p. 62).

During the first half of 2001 when the INTERREG programme was being negotiated between the Commission and the two member state authorities, a number of domestic developments strengthened the influence of the networks. First, was the appointment of John McKinney as first full-time chief executive of the SEUPB in February 2001. McKinney had been chief executive of Omagh District Council, not a civil servant. According to a senior civil servant, McKinney's 'experience left him well placed to interact with councillors and sectoral interests. His involvement was crucial. He was charged with giving the SEUPB an identity at local level' (Interview, June 2003). McKinney was sympathetic to 'bottom up' development and to a role for the cross-border networks. Both McKinney and the cross border networks would jointly use the political space created by the new north-south institutions to secure a less centralised framework for the implementation of cross-border programmes.

The networks welcomed the appointment of John McKinney as Chief Executive of the SEUPB, given his background in Omagh local authority and community development. Following the appointment of McKinney, an Action Team was established by Mark Durkan, Minister for Finance and Personnel in Northern Ireland to consider what was the appropriate role for the Border Corridor Groups in the context of the new round of Structural Funds support. In mid March 2001, the Action Team in agreement with Minister Durkan and McCreevy recommended that a number of principles should underlie future arrangements for the cross border networks, these were identified as follows:

- In the context of Government policies North and South, the role of the Groups should be maximised to bring practical benefits to communities on both sides of the border,
- The ethos of partnership working should be established between all those involved in the delivery of the Structural Funds in the Border Corridor.
- Arrangements need to be compatible with EU Structural Funds Regulations and national policies, North and South, and need to achieve complementarity with other structures and programmes
- Within this context, a substantive allocation of funds will be made to the Border Corridor Groups and decentralised decision making structures put in place for those funds.
- Structures and processes for decision making at local level need to be inclusive and transparent
- Recognition of the role of the Groups as a source of authoritative consultation for the INTERREG III Programme and its priorities and for cross border components of PEACE II, as well as a more general recognition in relation to the Common Chapter and the principles which it establishes in relation to cross border funding.

The Action Group sought to provide the framework within which role of the networks and indeed their relationship with the agencies and national authorities could be developed. It recognised that its current work could not be 'prescriptive' as in essence the final form would reflect the outcomes of the current negotiations with the European Commission on the INTERREG III programme and its programme

complement. However the Action Group indicated that it supported and recommended the following roles for Border Corridor Groups:

- Forming an important part of the INTERREG III Development Team
- Being the decision making bodies for defined parts of the INTERREG III Programme where decision making would be delegated to the Groups.
- Being an authoritative source of consultation on the needs and priorities of the Border Corridor in the context of INTERREG III and other EU funds for cross-border development
- Representing the Border Corridor on the INTERREG III Monitoring Committee

The establishment of the Action Group proved an effective mechanism through which the networks copper-fastened the support of the key governmental figures on either side of the border. Minister Durkan secured the ratification of the decision reached in the Action Group at the NSMC on the 9<sup>th</sup> of April 2001. One of the cross-border network officials claimed in 2003 that ‘Without the ministerial backing, our role would never have been sorted out’ (Interview, 16 June 2003). Following the agreement of the NSMC, the Border Corridor Implementation Group was established. It consisted of the chief executive of the SEUPB and the coordinators of the three networks. The objective of the group was to work out just what the operational role of the networks would be (Laffan and Payne, 2002). Once the INTERREG III programme was agreed by the Commission in March 2002, the programme complement document setting out the implementation framework was formalised. In the programme complement, the cross border partnerships were identified as the implementing bodies for priority one (Integrated Development Strategies) of the

INTERREG programme. This gave the groups a major influence on the deployment of more than 50 million Euro.

In order to secure a role, the cross-border networks had to transform themselves from an exclusive local authority base to wider civil society partnerships, known as INTERREG partnerships. Within the local authority networks there was concern about the widening of the membership but it was the price the networks had to pay for an important role in the cross-border programme. The principle for the partnerships was a 50:50 split between local elected councillors and civil society groups. The North West Region Partnership consists of nine elected councillors, one community activist, five representatives of business, two representing rural areas and one trade union (Membership supplied by the Partnership). The significant presence of business representatives underlines the economic nature of the INTERREG programme. The presence of nine elected councillors will enable the cross-border networks to play an important role in the new partnerships. Moreover, the secretariat for the partnerships is provided by the networks, again enhancing their role at the centre of the new arrangements. From a position where the cross-border networks were beneficiaries of INTERREG, they have moved to a role as 'implementing agents' for an important measure. There are high expectations of their contribution to cross-border co-operation. One senior official in the SEUPB claimed that 'In Interreg I and II the co-operation was all back to back, now it is truly cross-border. The partnerships are capable of making good judgements and we see them as very strong players' (Interview 17, June 2003). Another said of the groups, 'They have the structures in place to fulfil their role. They have the open and transparent method of selecting members of the partnerships. They meet regularly with us and very regularly with each other' (Interview, 23 May 2003). A civil servant said of the partnerships



‘They’re the ones that bring the sparkle and the life into the programme. They seem to be very focused and very enthusiastic’ (Interview 6 June, 2003). The sentiments expressed here, are very different to those expressed in 2000- 2001 when the border networks set out to gain a role. Given the resources that have been placed at their disposal, there will be considerable political and administrative scrutiny of how they perform during the life of INTERREG III.

### **The EU and Territorial Politics on the Irish Border**

The focus in this paper on the interaction between EU level changes and domestic and inter-jurisdictional changes underlines the multileveled nature of territorial politics in contemporary Europe. The Commission influences territorial politics on the basis of the financial carrots it puts in place through programmes such as INTERREG. Partnerships between the two parts of Ireland have been driven by EU funding. This has enabled unionist and nationalists to cooperate for the mutual benefit of their areas within an agreed institutional framework. Economic advantage and improved trade were cited by councillors as the two most important reasons for cross-border co-operation (Birrell and Hayes, 2001, 55). In addition, formal co-operation improved contact between politicians on both sides of the border ‘and as a consequence of this the personal friendships that have developed over time have also improved cross-border relations’ (Birrell and Hayes, 2001, 56). One of the network co-ordinators argues that political differences do not translate into problems in the networks. The co-ordinator suggests that ‘The politics is left outside the door for the duration of the meeting...This is not to say that political differences don’t continue outside these meetings. But INTERREG meetings are not the forum for these differences. I’ll go further, in this forum myths are dispelled in new working relationships’ (Interview, 6 June 2003) Thus EU funding plays an indirect role in conflict management and

perhaps resolution. Whether the intensification of contact in the border area leads to reconciliation remains to be seen. A senior Irish civil servant suggests that 'The political situation in Northern Ireland needed the partnerships-elite cooperation has no real impact until we get that at the local level. There is not a whit in the Good Friday Agreement about local authorities, local enterprise, trade. It's all very centralised' (Interview, June 2003). INTERREG provides a framework for co-operation in one of Europe's contested borders.

The influence of the EU and the Commission is not confined to financial incentives. It has developed a preferred model of cross-border co-operation that emphasises institutionalisation and genuine cross-border processes, including a single paying authority. Through the programme guidelines, the Commission influences the response of national authorities to the implementation of cross-border programmes. During the evolution of the three INTERREG programmes on the Irish border, the Commission has used its negotiating margin to support decentralisation and jointly designed and delivered programmes. In addition, it provides financial, technical and political support to those 'bottom-up' groups that animate cross-border co-operation. The influence of the Commission on the cross-border networks should not be underestimated. It provided them with financial support for the establishment of permanent secretariats. Without this financial support, the networks would not have had secretariats and co-ordinators who have been very influential as nodal points for the groups. Individual Commission officials have assisted the networks develop a coherent strategy concerning the border corridor and have given them support for their collaborative efforts. During the negotiations of the INTERREG III programme, the national authorities were left in no doubt that the Commission endorsed a central role for the networks. In turn the Commission influenced the membership of the

networks by placing considerable emphasis on co-operation between elected councillors and the social partners. This required the networks to establish new partnerships, especially designed to implement priority one of the INTERREG III programme.

The ability of the Commission to secure its preferred model of cross-border co-operation was however contingent on developments within the border area and between north and south. Notwithstanding the fact that the Good Friday Institutions have been suspended four times since their establishment and have been bedevilled by the high politics of police reform and disarmament, the political space created by the North-South Ministerial Council was critical to the networks in their search for a role. The North-South institutions changed the opportunity structure of politics within and between the two parts of Ireland. The North-South Ministerial Council created a channel for politics that was not controlled by either jurisdiction. The devolved administration within Northern Ireland gave local politicians executive power and reduced the autonomy of the civil service. Faced with a new framework of politics, the networks engaged in intensive and effective lobbying and convinced the two finance ministers that they should become implementers and not just beneficiaries of the programme. See Figure 3. This was described by a senior civil as a 'leap of faith' and a 'huge vote of trust' in the partnerships (Interview, June 2003). In addition to the changing opportunity structure for the cross-border networks, the groups themselves embarked on considerable policy and institutional learning. Prompted by the network coordinators, the groups worked out a strategy to secure an enhanced role and developed spatial strategies for their own areas and for the border corridor as a whole. They created partnerships with the social partners to fulfil the Commission's partnership model. For the partnerships the challenge is to 'translate their enthusiasm-

they need to generate projects that can spend money and that meet the objectives of the programme’ (Interview June 2003). The networks, on the other hand, claim that although the ‘government departments have had issues with capacity and ability’, they are ‘confident that we could do the job better. We know we are capable’ (Interview, 16 June 2003). Another network coordinator suggests that ‘INTERREG provides the focus and drive for the Cross-Border Groups. The delivery of INTERREG gives a clear credibility and rationale to people that might not have liked us (the networks) before’ (Interview, 3 June 2003).

Figure 3: The unfolding of events during the INTERREG III negotiations

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| <ul style="list-style-type: none"> <li>• Draft INTERREG III Programme Document submitted to Commission in November 2000</li> <li>• Draft INTERREG III Programme declared inadmissible by Commission in December 2001</li> <li>• Revised Draft INTERREG III Programme submitted and declared admissible on 1<sup>st</sup> February 2001</li> <li>• Appointment of new permanent Chief Executive (John McKinney) takes up post 1<sup>st</sup> February 2001</li> <li>• European Commission prepared position paper on draft INTERREG III programme</li> <li>• New Chief executive prepares plan for the development of the SEUPB in March 2001; Proposal to be presented for ratification at the NSMC on 4<sup>th</sup> April 2001</li> <li>• Action Team meets Ministers Durkan and McCreevy during March 2001 and provisionally agree ‘authoritative’ role for the networks. This was ratified at the NSMC on 4<sup>th</sup> April 2001</li> <li>• Approval of the INTERREG III programme on 22 March 2002</li> <li>• Launch of the programme on 20 November 2002</li> <li>• Road shows for programme-first half of 2003</li> <li>• Selection of first projects 4 July 2003</li> </ul> |
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## **Conclusions**

This paper illustrates the linkages between developments at the EU level and the national and the changing nature of territorial politics in Europe. National governments remain key interlocutors of the Commission in INTERREG but they are not the only ones. Bottom-up mobilisation by local authorities and the social partners leads to Brussels. The Commission's openness to sub-national groups and the presence of Commission officials on domestic monitoring committees creates additional channels of influence and alters the domestic opportunity structure. Engagement with the supranational level potentially brings new ideas to sub-national groups which they can then exploit at domestic level. In order to play the multilevel game, the sub-national actors must be open to learning new strategies and how to exploit the additional avenues of politics. Legitimation from Brussels comes with a price. The added layer of politics does not reduce the significance of the national arenas. In many ways, groups must be far more sophisticated if they wish to exploit the new opportunities. In the context of the Irish border, the new political institutions established by the Good Friday Agreement, especially the SEUPB, provides an institutional mechanism to overcome the difficulties facing cross-border co-operation on the island of Ireland. The mobilisation of the cross-border networks and their transformation into INTERREG partnership offers an opportunity for genuine locally driven cross-border co-operation. Given the manner in which the groups engineered a role for themselves, the future of 'bottom up' development rests in large measure on their effectiveness in carrying out the enhanced role they have been given.

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