

## **Leeds University Undergraduate submissions to the Review of the Balance of Competences**

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**Report Title:** To what extent have UK places, companies and workers benefited or not benefited from EU structural funds?

### **A note on this submission**

This submission was made as part of an assessed piece of work for a final year module at the University of Leeds. "Britain and the EU" covers key historical events and themes in the UK's relationship with the EU including non-membership to accession, debates over sovereignty, Parliamentary scrutiny, party politics and Euroscepticism. The module also explores key political issues (like foreign affairs and economic governance) to examine how European integration has influenced British politics and been influenced by them but does not provide detailed investigation into specific policies.

Students from this module presented work to the House of Lords EU select committee in its discussion of EU enlargement policy in 2013. This year's cohort has been asked to respond to one of four questions from the Review of the Balance of Competences. These reports were evaluated on the quality of the data collated, the argument and its presentation. These submissions are therefore presented not as expert opinions from practitioners but from an educated public that is both informed and engaged with the broader issues relating to the UK's relationship with the EU.

Module leader Charlie Dannreuther would like to express his thanks to the FCO Europe team for their cooperation and to the students for their extraordinary efforts in preparing these reports.

Please contact Dr Dannreuther on [ipicd@leeds.ac.uk](mailto:ipicd@leeds.ac.uk) if you have any further queries.

## Introduction

- Overview

EU structural funds are financial tools intended to reduce inequalities in development across regions of the EU (The European Commission, 2014). The Programme for Peace and Reconciliation in Northern Ireland and the Border Region of Ireland (PEACE) is a unique structural fund designed to address the distinct development needs of the region after The Troubles. PEACE III receives €225 million of EU funding under the 'Competitiveness and Employment' and 'European Territorial Co-operation' objectives (SEUPB, 2006, p.5), and is a cross-border initiative with an eligible recipient area covering Northern Ireland and the border region of the Republic of Ireland, as shown in Fig 1.

Fig. 1. Map showing eligible recipient area. (SEUPB, 2009, p.2).



PEACE III covers the period 2007-2013 and is a continuation of the PEACE I (1995-1999) and PEACE II (2000-2006) series. This report is an analysis of how the region

of Northern Ireland has benefited, or not benefited, from the PEACE III structural fund programme.

- Rationale and structure

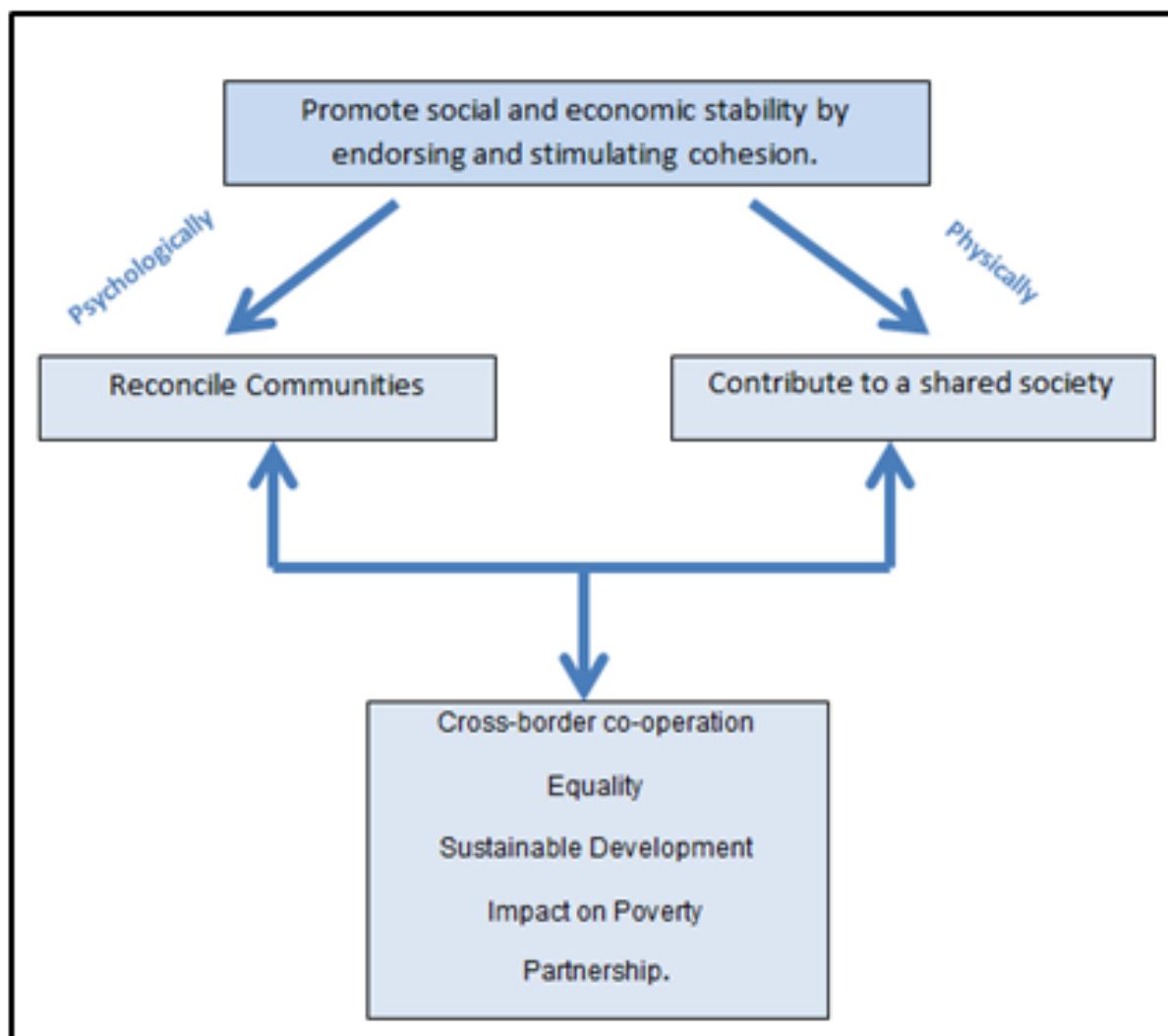
Whilst the region faces economic struggles that are felt commonly throughout many regions of the EU, they are intertwined with other complex issues specific to Northern Ireland. The suffering caused by 25 years of conflict did not terminate at the point of disarmament. Surpassing all ceasefires, The Troubles left intense levels of social segregation, structural violence and economic disadvantage. In Northern Ireland, therefore, the problems of economic development are entangled with, and heightened by, long-term political divisions. With such a complex and multi-faceted set of problems, come unique challenges.

As outlined in the Operational Programme (SEUPB, 2006), PEACE III was established with the primary objective of promoting social and economic stability in the region by endorsing and stimulating cohesion and reconciliation between communities. It aims to achieve these objectives under two priorities:

- **Priority 1 - Reconciling communities:** Dealing with the suffering of the past at a psychological level with special emphasis on reconciliation, aiming to address issues of mistrust and improve community relations.
- **Priority 2: - Contributing to a shared society:** addressing the physical segregation of communities, places and services across the region by endorsing economic and social cross-border and cross-community links.

Fig. 2. Illustrates a simplified summary of the programme structure, with five themes included in the programme manual (SEUPB, 2009) as implementation guidelines.

Fig. 2.



### Evaluation

Whilst PEACE III is unique in purpose and practice, it also necessitates a unique approach to evaluation. This stems from the very nature of the programme; economic progress is simultaneously linked to social progress, and can only be achieved alongside peace and reconciliation. Therefore various sources of investigation will be utilised, including attitudinal surveys, census results, police statistics and the media, in conjunction with an evaluation methodology suggested by the programme manual (SEUPB, 2009, p.36):

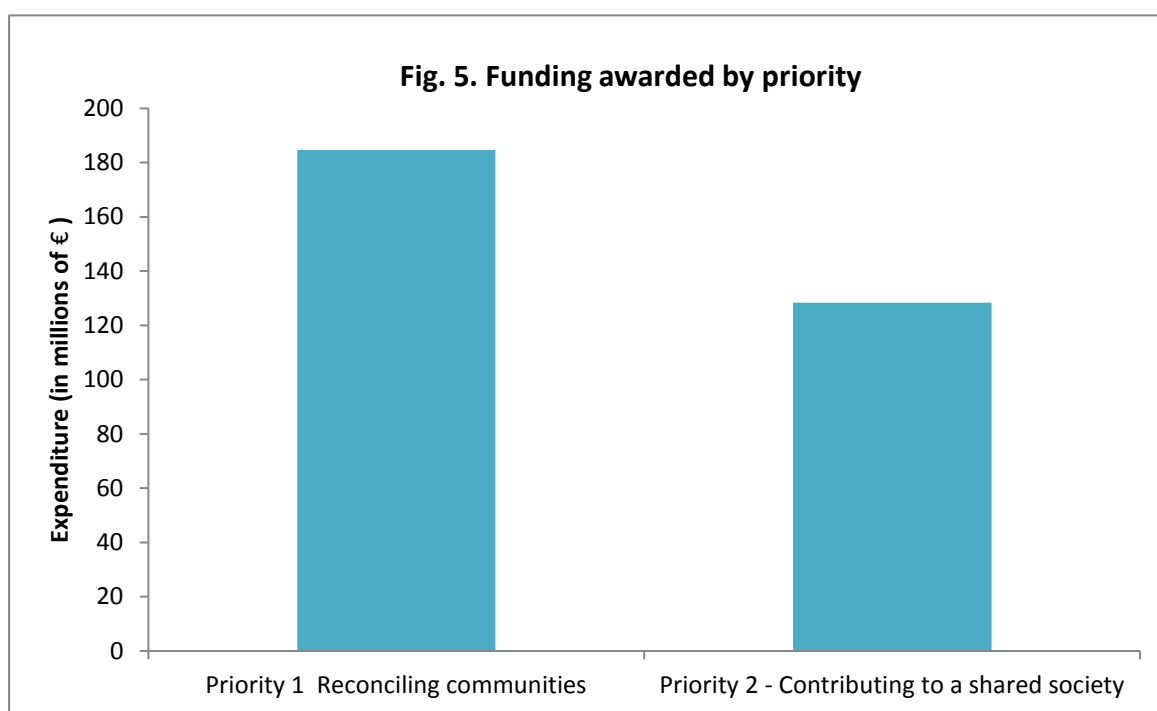
**Output** indicators: initial directly-funded activity.

**Result** indicators: immediate effects on direct beneficiaries.

**Impact** indicators: longer-term effects on direct beneficiaries and wider population.

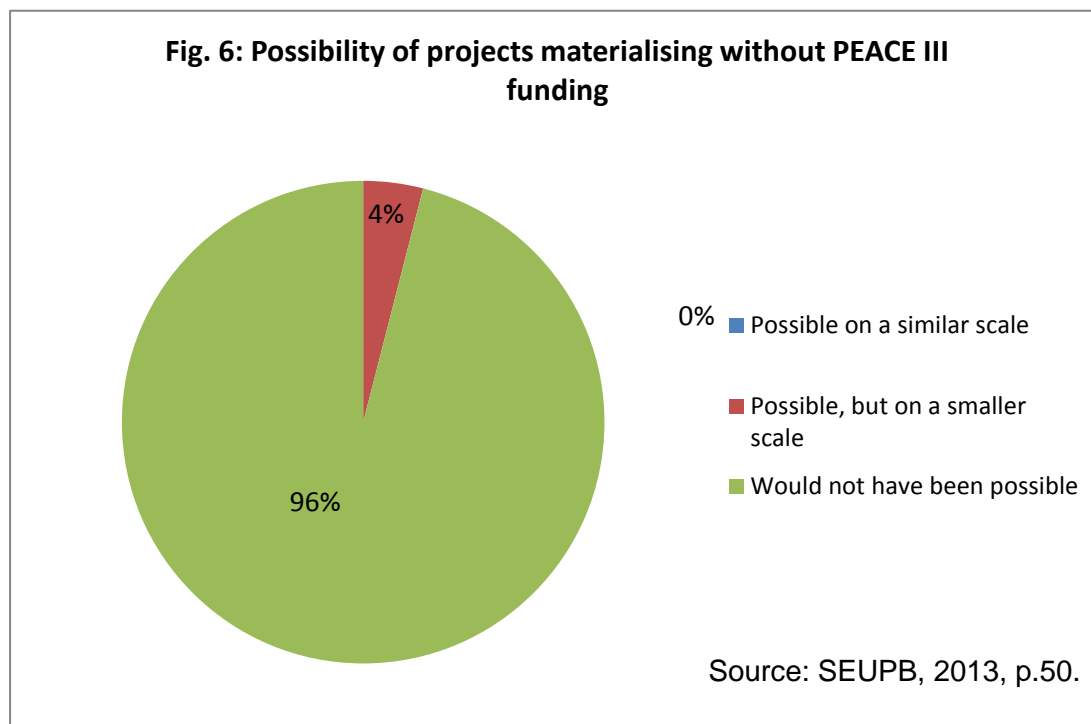
- Output

By 31<sup>st</sup> December 2012, PEACE III had received 649 applications for project funding, of which 218 were successful. To these, a total of €313million was awarded, with an average grant of €1.5million per project (SEUPB, 2013). Fig. 5 demonstrates the break-up in expenditure between priorities.



Source: SEUPB, 2013, p.42.

Structural funds are intended to be in addition to national expenditure. Fig. 6 illustrates information collected from project managers exemplifying extremely high levels of additionality.

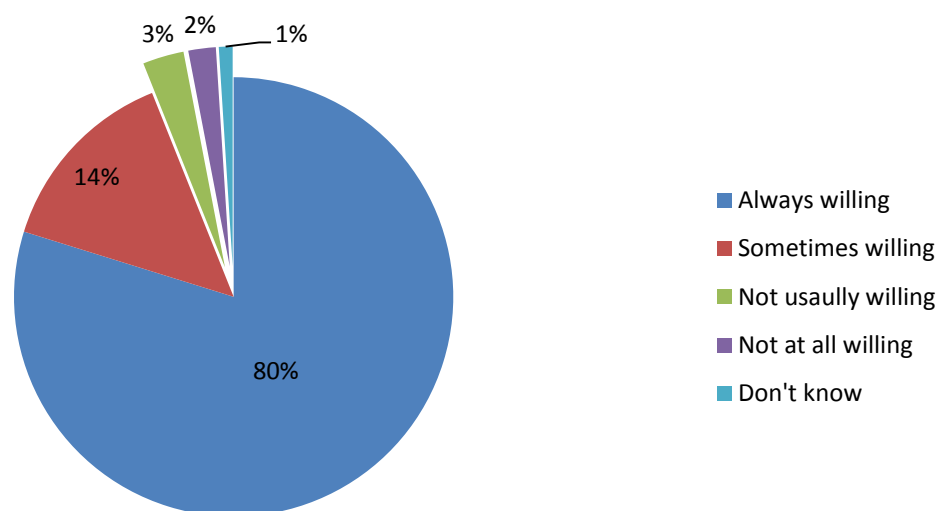


- Result

Attitudinal surveys (NISRA, 2013), provide valuable information on the evolution in attitudes of both participants in the PEACE III-funded projects, and the general population. In order to measure direct beneficiary progress, this section will exclusively analyse the data for programme participants.

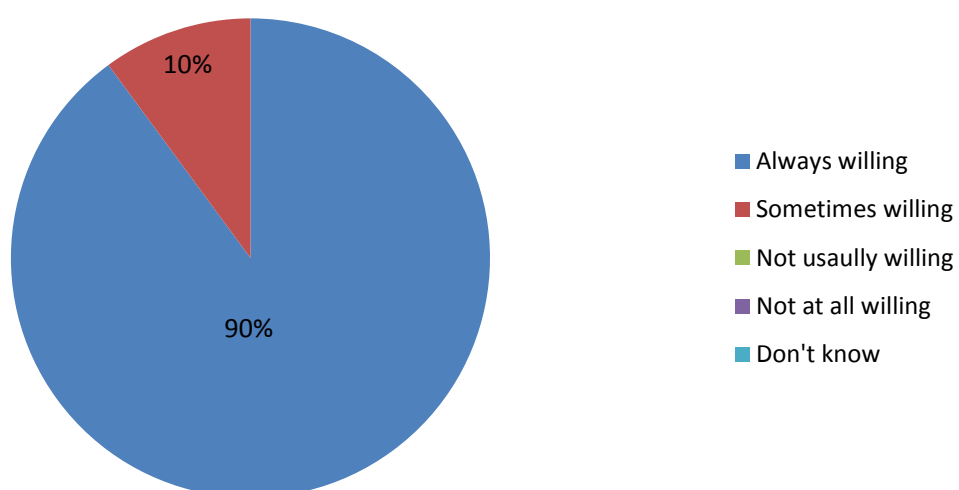
As shown in Fig. 7 and 8, whilst most participants said they were sometimes/always willing to participate in cross-community activities in 2007, this increased to 100% in 2010/11. 75% of participants thought there were more opportunities to participate in cross-community activities than 5 years before.

**Fig. 7: Programme participants who were willing to participate in cross-community activities (2007)**



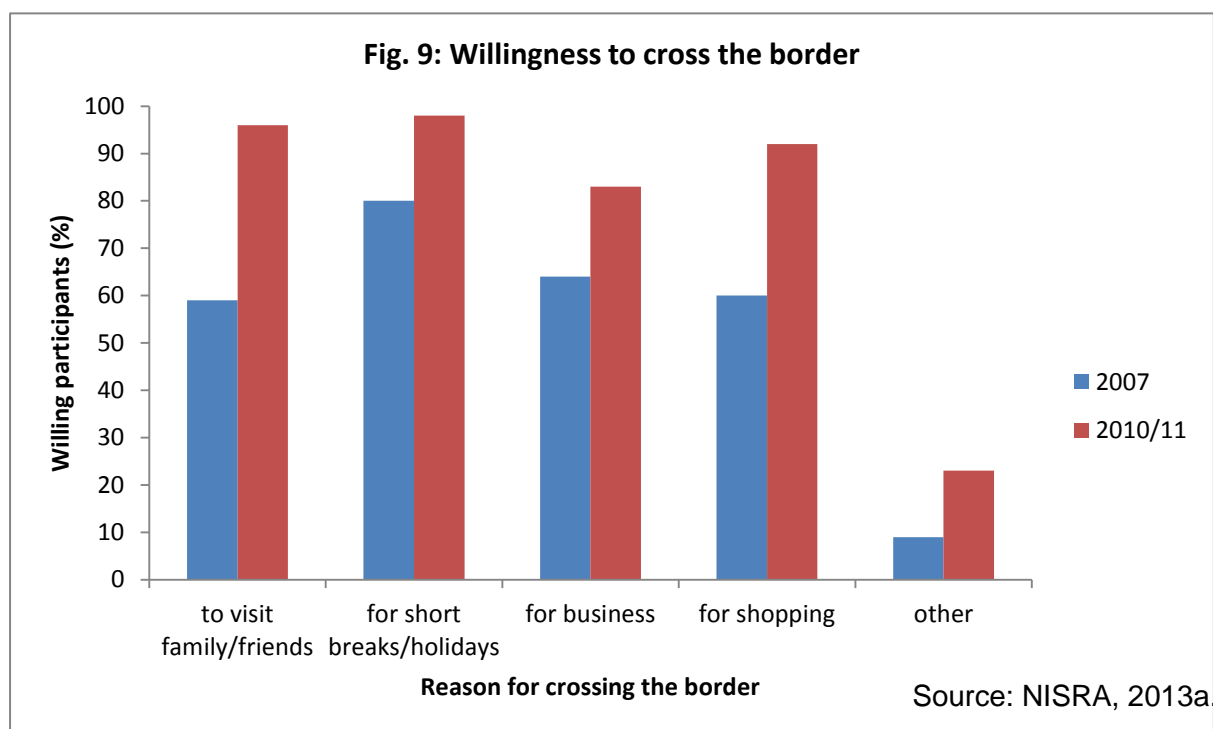
Source: NISRA, 2013a.

**Fig. 8: Programme participants who were willing to participate in cross-community activities (2010/11)**



Source: NISRA, 2013a.

Fig. 9 illustrates a marked increase in the quantities of participants who are willing to cross the border. Most notably, 2010/11 respondents were 37% more likely to cross the border to see friends and family and 19% more likely for business.



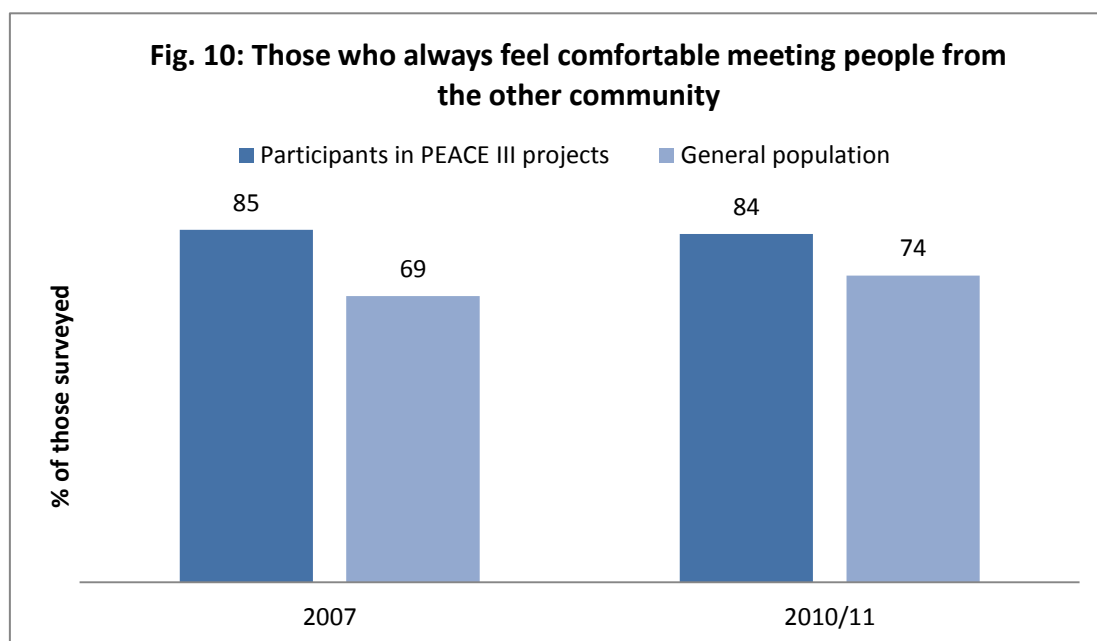
Furthermore, 63% of those surveyed in 2010/11 believed there to be more opportunities to cross the border than 5 years before.

- Impact

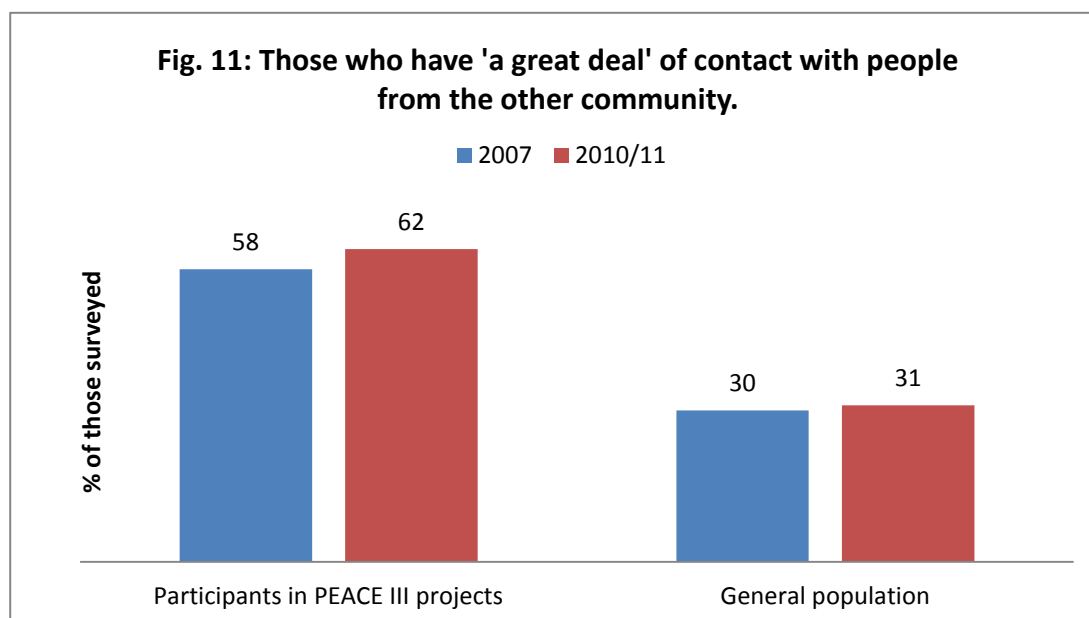
Whilst the attitudinal survey (NISRA, 2013) shows positive results from participants of PEACE III projects, it is necessary to compare this with the general population. For instance, in 2010/11, whilst 83% of project participants were willing to cross the border for business, only 62% of the general population were. Fig. 10 exemplifies that in both 2007 and 2010/11, direct participants in projects were much more likely to feel comfortable meeting people from the other community, than members of the general public. The extent of this is materialised in Fig. 11 which shows that, whilst



there has been a common increase of contact with the other community between 2007 and 2010/11, there is a substantial disproportion between participants and the general population.



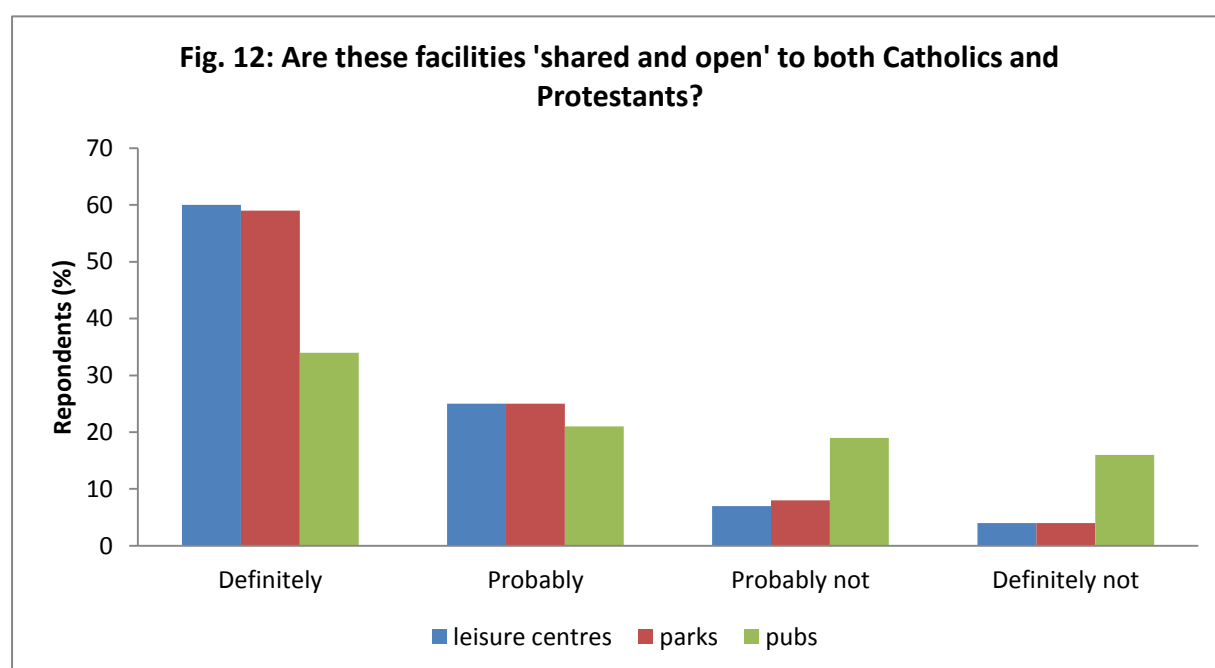
Source: NISRA, 2013a.



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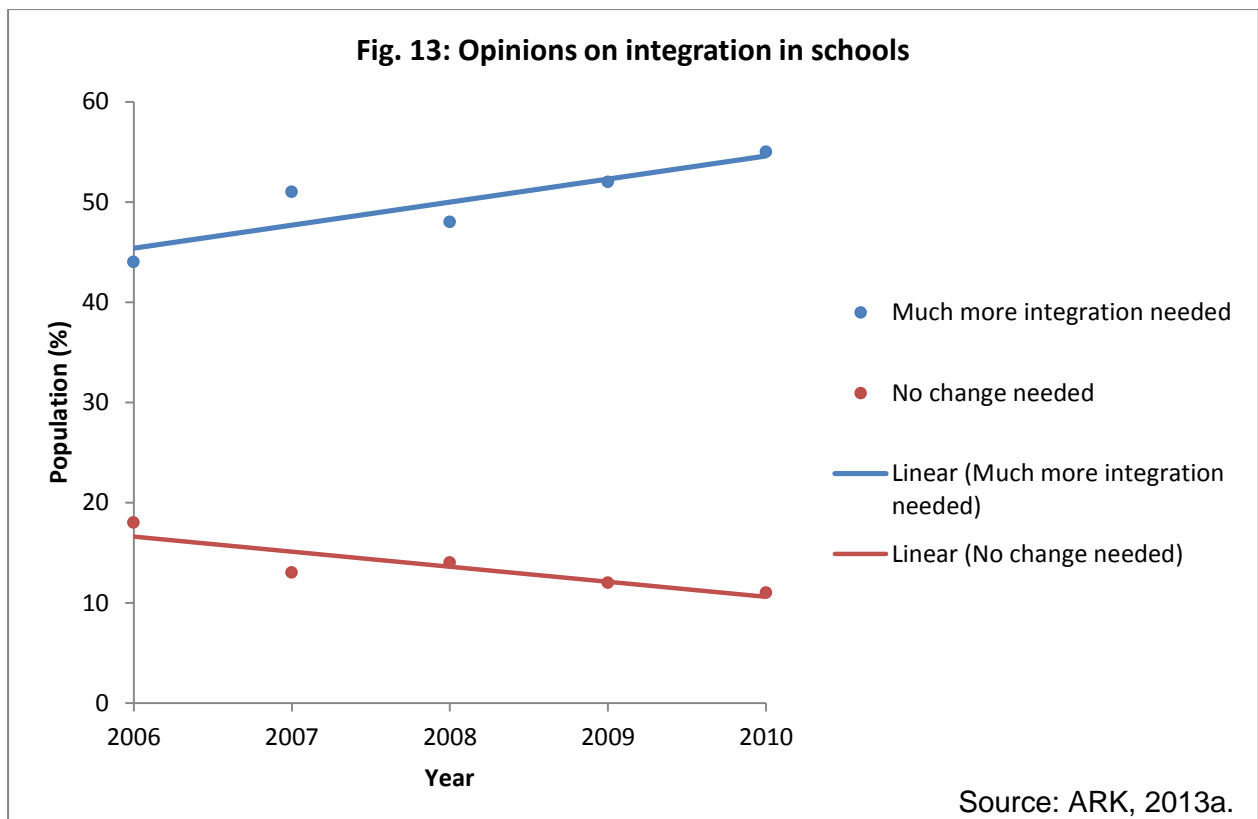
The Northern Ireland Life and Times Survey (ARK, 2013a; 2013b) shows that the public have consistently assumed that relations between Catholics and Protestants are improving, with an average of 61%, between the years of 2007-2012, claiming relations were better than 5 years previously.

However, 2012 results show that 16% and 15% of respondents would still feel unsafe going to a Gaelic sports club premises or an Orange Hall, respectively. Furthermore, Fig. 12 shows that whilst most respondents believed parks and leisure centres to be 'shared and open' to both communities, the same couldn't be said for pubs, with 35% of respondents declaring they were definitely or probably not.

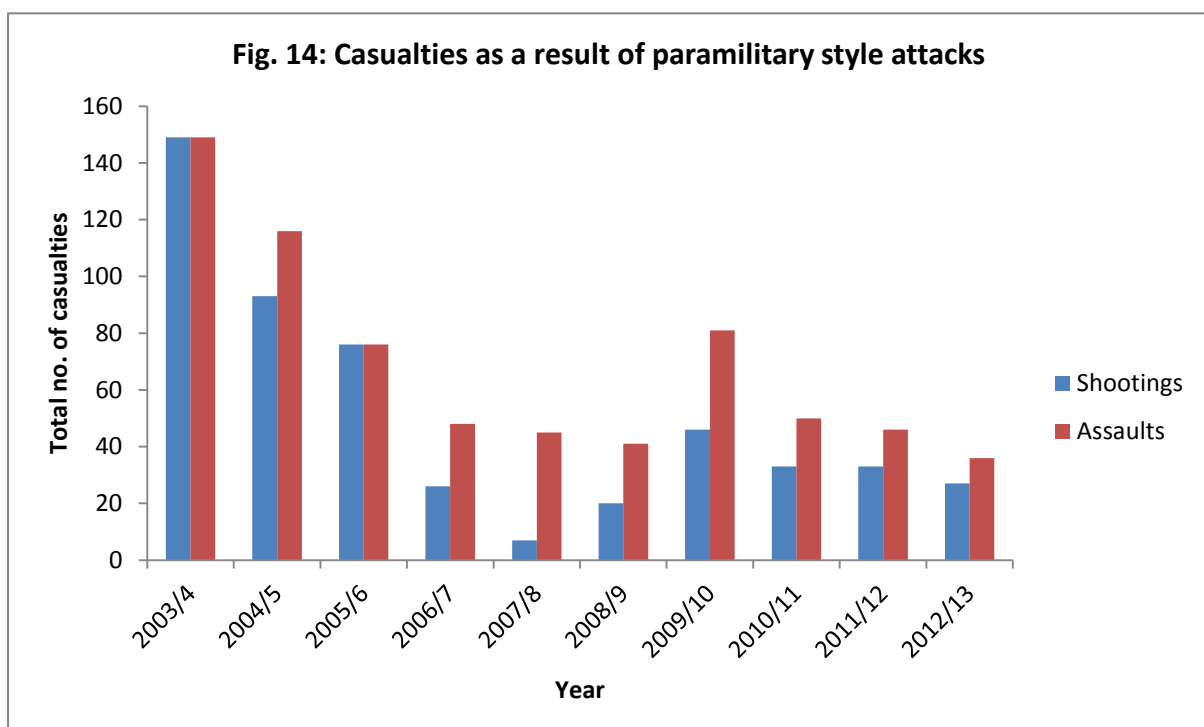


Source: ARK, 2013a.

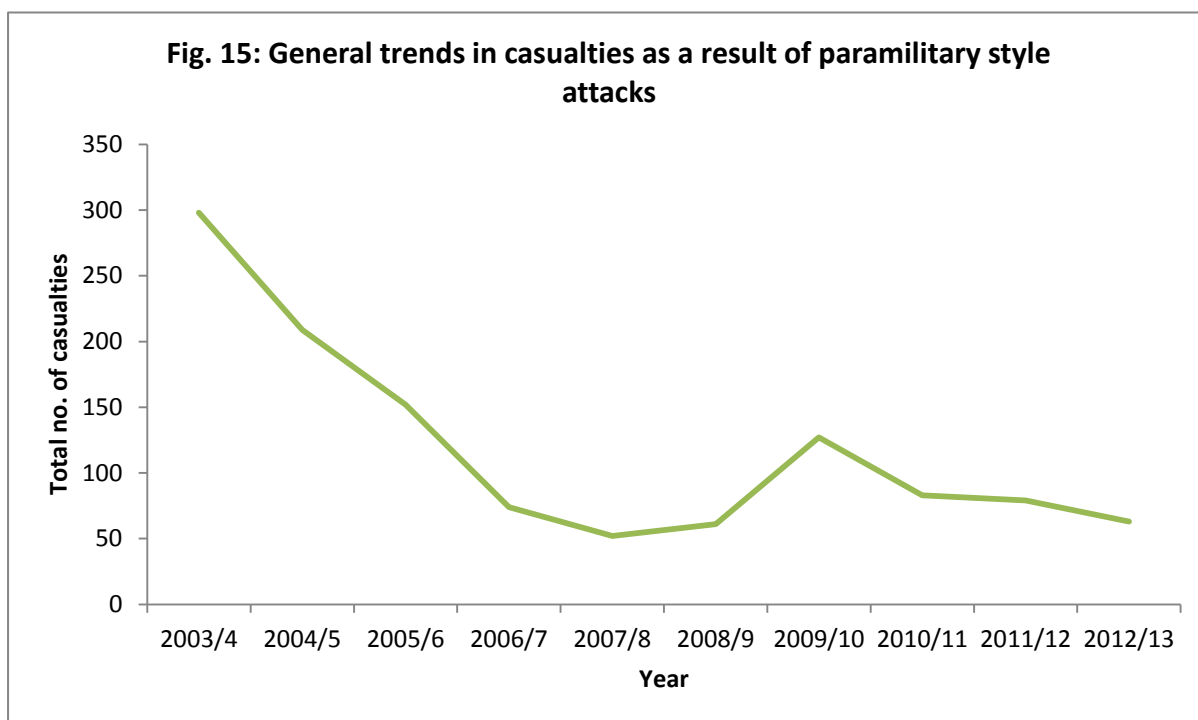
Whilst 67% of the public claimed in 2010/11 that they had attended a strictly all-Catholic or all-Protestant school and only 9% had attended an integrated school (NISRA, 2013), Fig. 13 shows an increasing appreciation of the need for change.



Gradually reconciled communities return diminishing crime statistics. PSNI statistics reveal that during the years of PEACE III implementation, paramilitary style assaults have been generally lower than previous years – see Fig. 14 and 15.

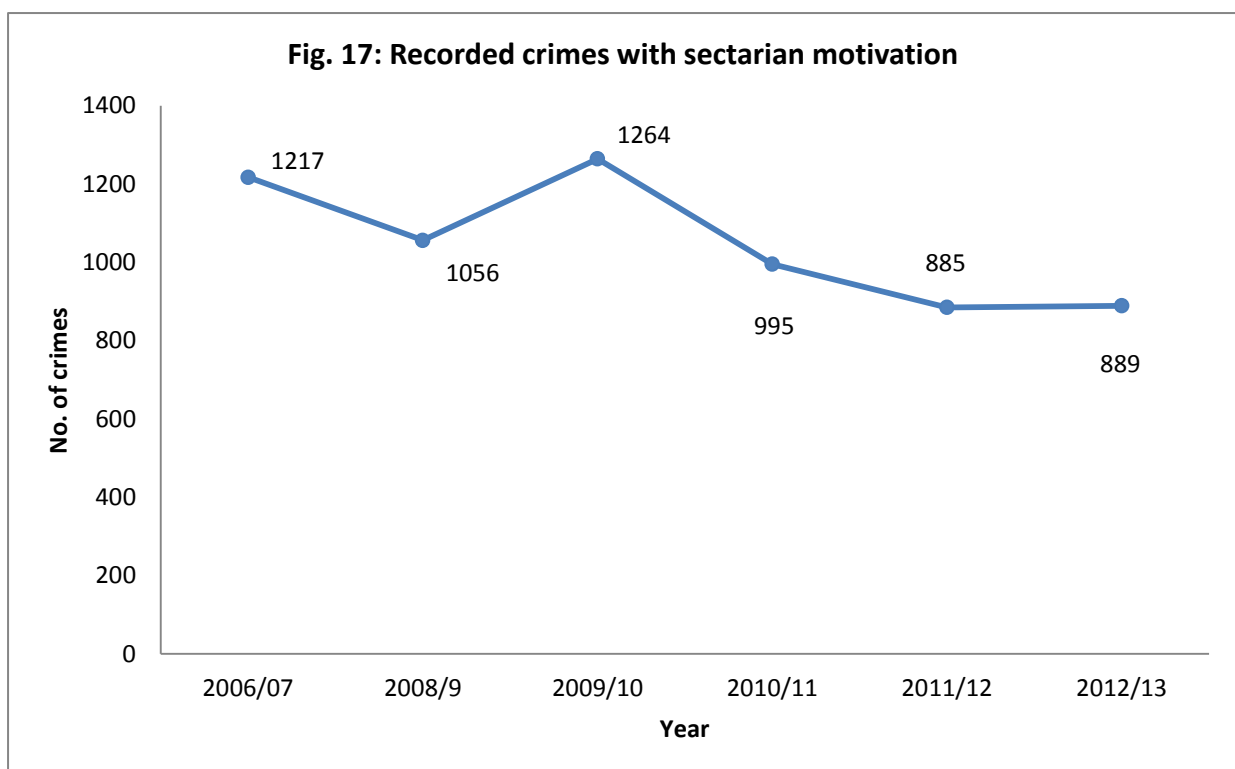
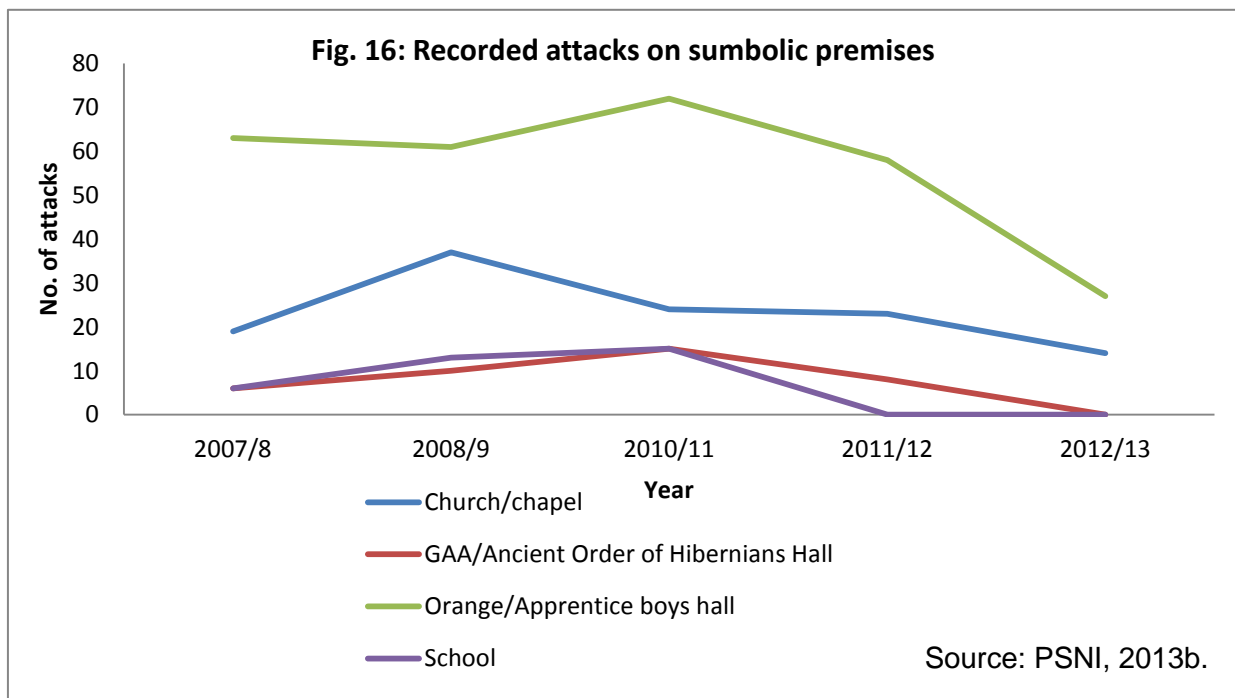


Source: PSNI, 2013a.



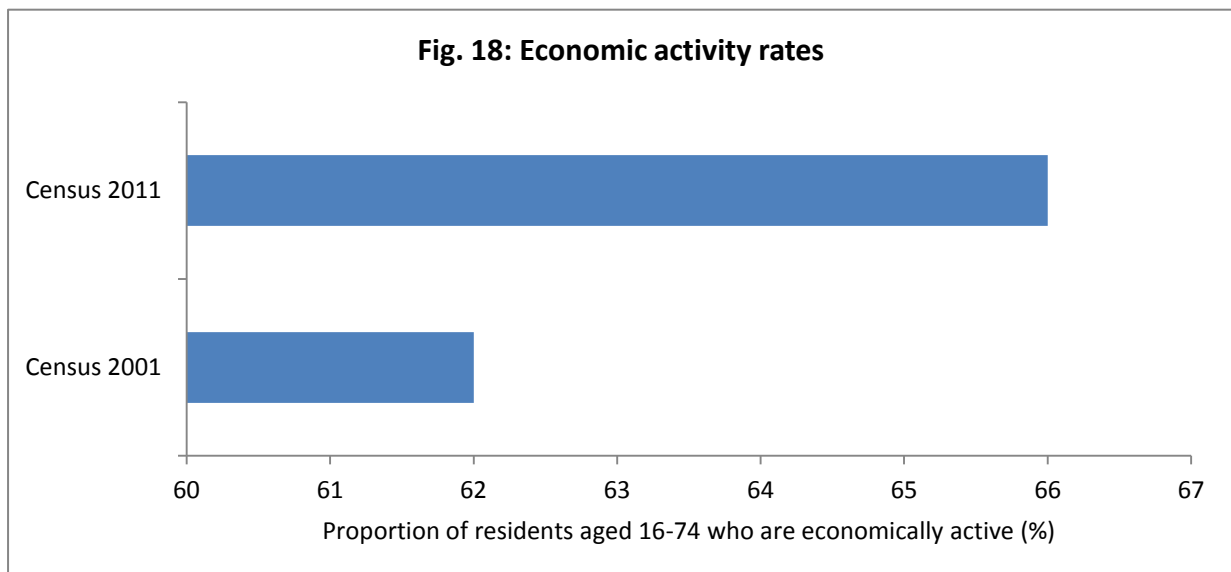
Source: PSNI, 2013a.

Fig. 16 and 17 show the general trends in sectarian crimes during the course of PEACE III.

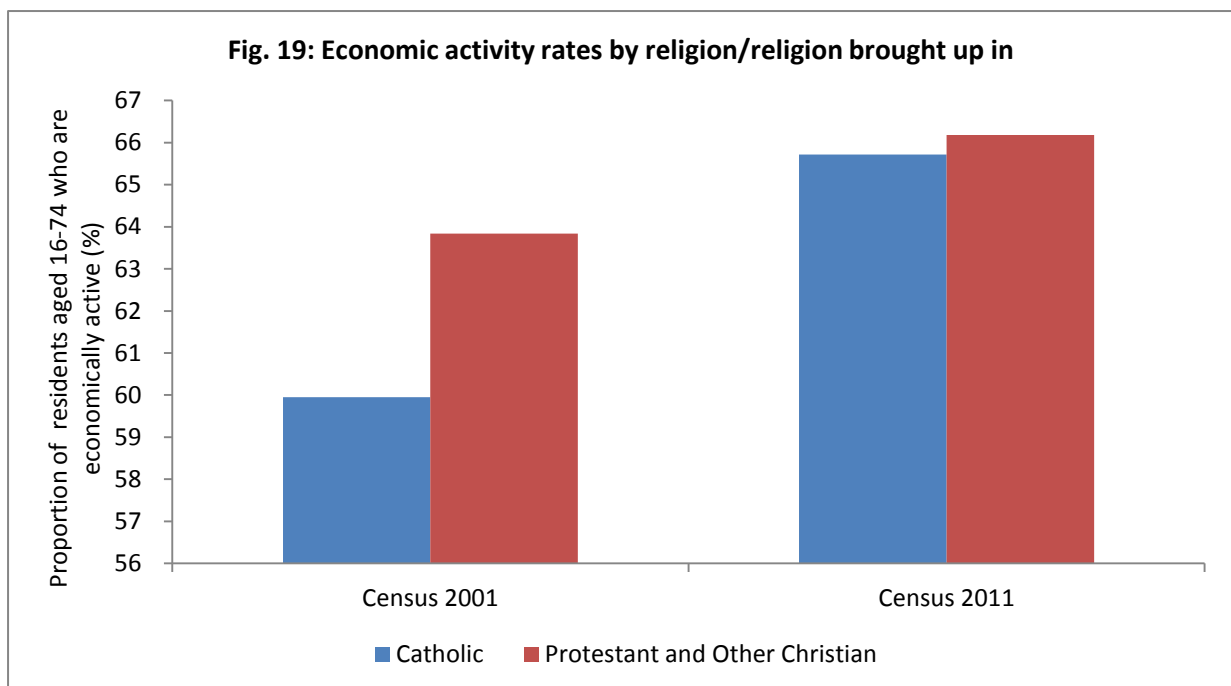


With better community relations and decreased levels of crime, palpable economic benefits are beginning to emerge. Fig 18 and 19 present census statistics

exemplifying the progress in overall levels of economic activity and the narrowing of religious economic inequalities.



Source: NISRA, 2013b.



Source: NISRA, 2013b.

Decreased levels of violence over time and improved economic activity create a stable platform to promote investment. This has recently materialised in a number of opportunities in 2013 to showcase Northern Ireland on a world stage, including hosting the G8 World Summit, UK City of Culture and World Police and Fire Games

(Northern Ireland Office, 2013, pp.11-12). On choosing Fermanagh to host the G8 summit, Prime Minister David Cameron declared:

I want the world to see just what a fantastic place Northern Ireland is - a great place for business, a great place for investment, a place with an incredibly educated and trained workforce ready to work for international business.

(Simpson, 2012).

Whilst Northern Ireland has attracted more inward investment in the last six years than any other time in its history (McGuinness, 2014), the opportunities of last year have also impacted positively on the tourism sector and further projected the region as a positive location for FDI.

### Conclusion

The British Government and Northern Ireland Executive “recognise the important role PEACE funding has played in supporting cross-community projects to promote reconciliation and in tackling inequalities and disadvantage” (Northern Ireland Office, 2013, p.5). Extremely high levels of additionality in projects show PEACE III to be a highly innovative programme – arguably more so than the Peace Process itself. However, there is an uneven distribution of project funds between the two priorities. It could be suggested that psychologically ‘reconciling communities’ is a pre-requisite to physically ‘contributing to a shared society’, in which case a change in re-distribution of projects should be predicted over time.

Result indicators show directly-funded projects produce participants who are increasingly more willing to cross the border and interact with the other community, and who believe there are increasingly more opportunities to do so; producing successful 'output' results for Priority 1 and Priority 2. However, although a gradual overall progression is evident, there are significant disparities in the results of project participants and the general public, both psychologically and in their actions.

Police statistics show that although sectarian and paramilitary crimes still have a presence in society, they are generally decreasing. Although there is still a long way to go in achieving reconciliation and cohesion in order to fully tackle the inequalities and disadvantage in the region, progression is evident and palpable economic benefits have recently come to light. Economic activity is improving overall, and economic inequalities are narrowing. Furthermore Northern Ireland has been able to promote FDI in the region with outstanding opportunities that have come about by increased levels of peace, with First Minister Peter Robinson noting that Northern Ireland hosting the G8 Summit "would have been inconceivable 10 or 20 years ago" (Simpson, M, 2012).

Northern Ireland has benefitted greatly from the PEACE III structural funds, but it is imperative to note that problems are particularly deep-rooted and necessitate long-term and gradual effort for optimum outreach and sustainability. The EU has recognised this and the Peace Programme has secured a €150 million funding for a future PEACE IV (Northern Ireland Office, 2013, p.5).



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