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Inspire Policy Making with Territorial Evidence

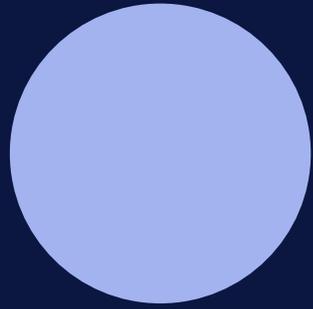
# Brexit and regional and spatial strategies

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ESPON Seminar  
Dublin, 9 May 2018

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- Brexit and the regional question
- The case of Northern Ireland and its sub-regions
- Some final thoughts



# Brexit and the regional question



# Forecasts and explaining the vote

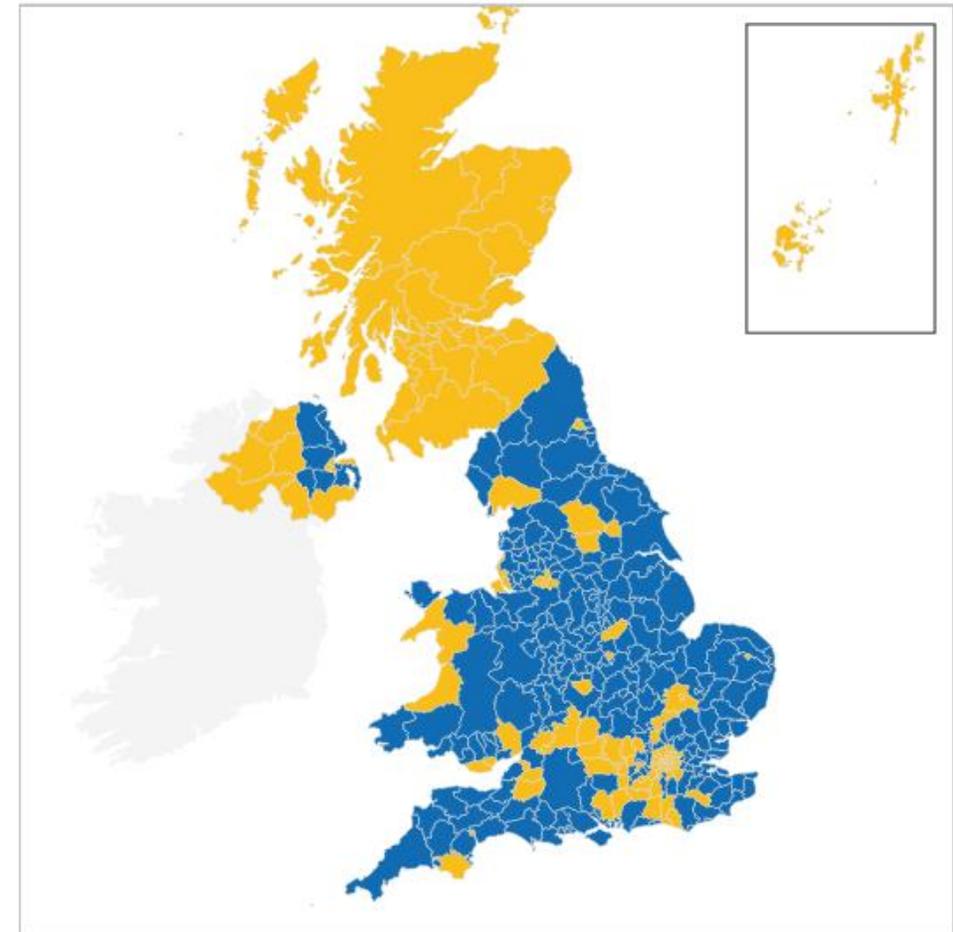
## Forecasts:

- Focus very much at the *national* level in pre-Referendum analysis with overall impression of being bad for the UK and, within the EU, worst for Ireland
- Exception of some NI analysis and work by SPERI on manufacturing exports and EU funds which highlighted NI, Wales, South West and North of England most at risk of impact

## Why the vote?:

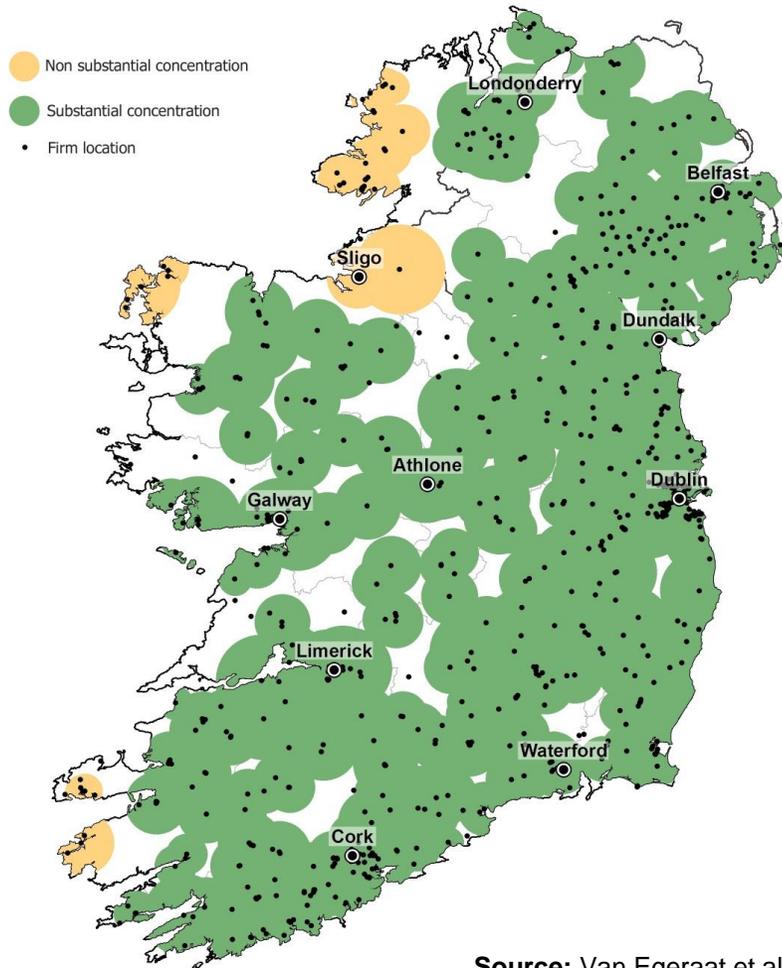
- Several studies (Goodwin, LSE) have addressed this question.
- Age not less of a predictor of voting choice than % in manufacturing, quality of public service provision, skills levels, and % of EU+12 migrants.

Key: ■ Majority leave ■ Majority remain ■ Tie ■ Undeclared



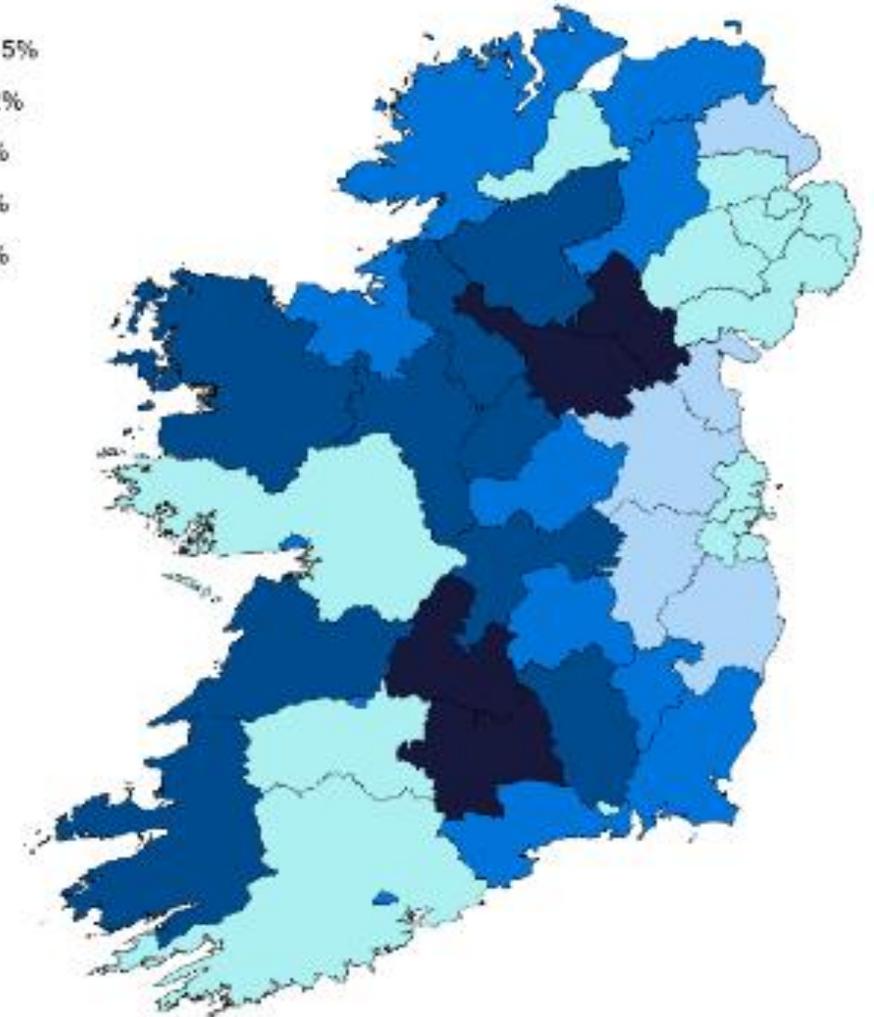
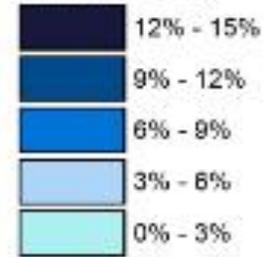
# Agri-Food and a sectoral ecosystem approach

Manufacture of food products



Source: Van Egeraat et al (2016)

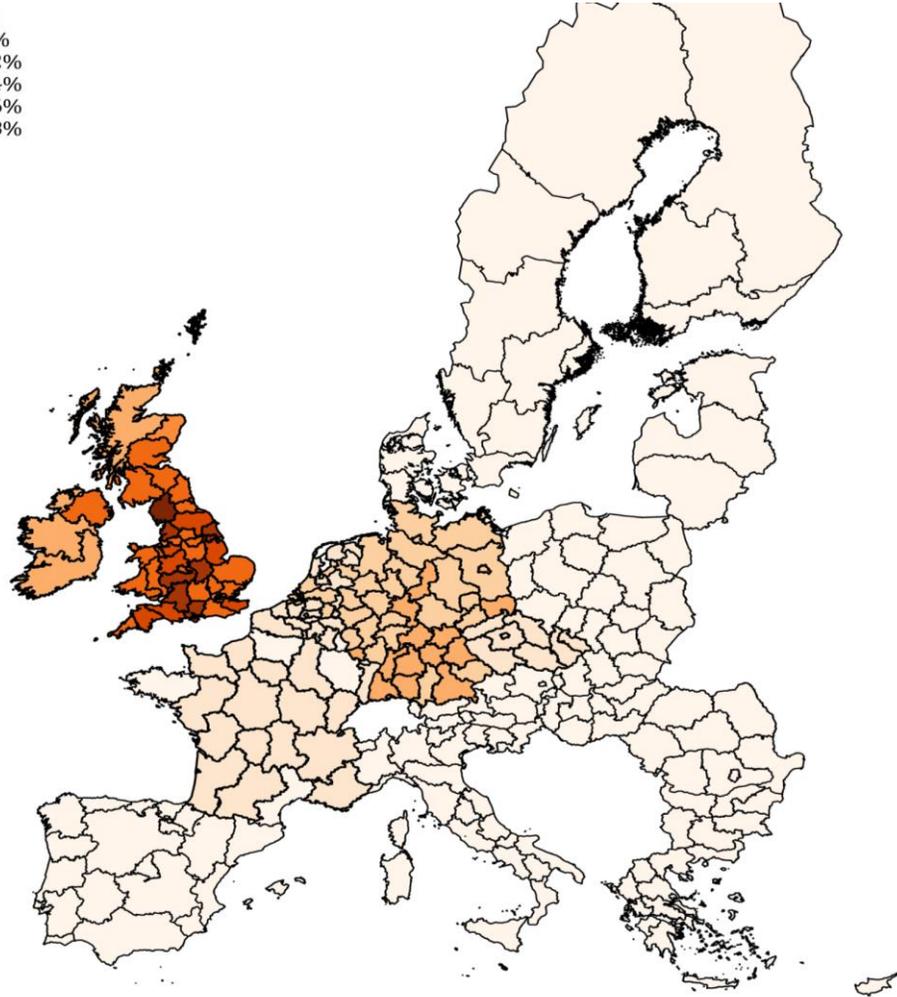
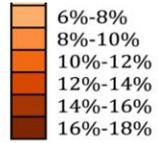
Agriculture Employment as % of Cour  
All Ireland (2016)



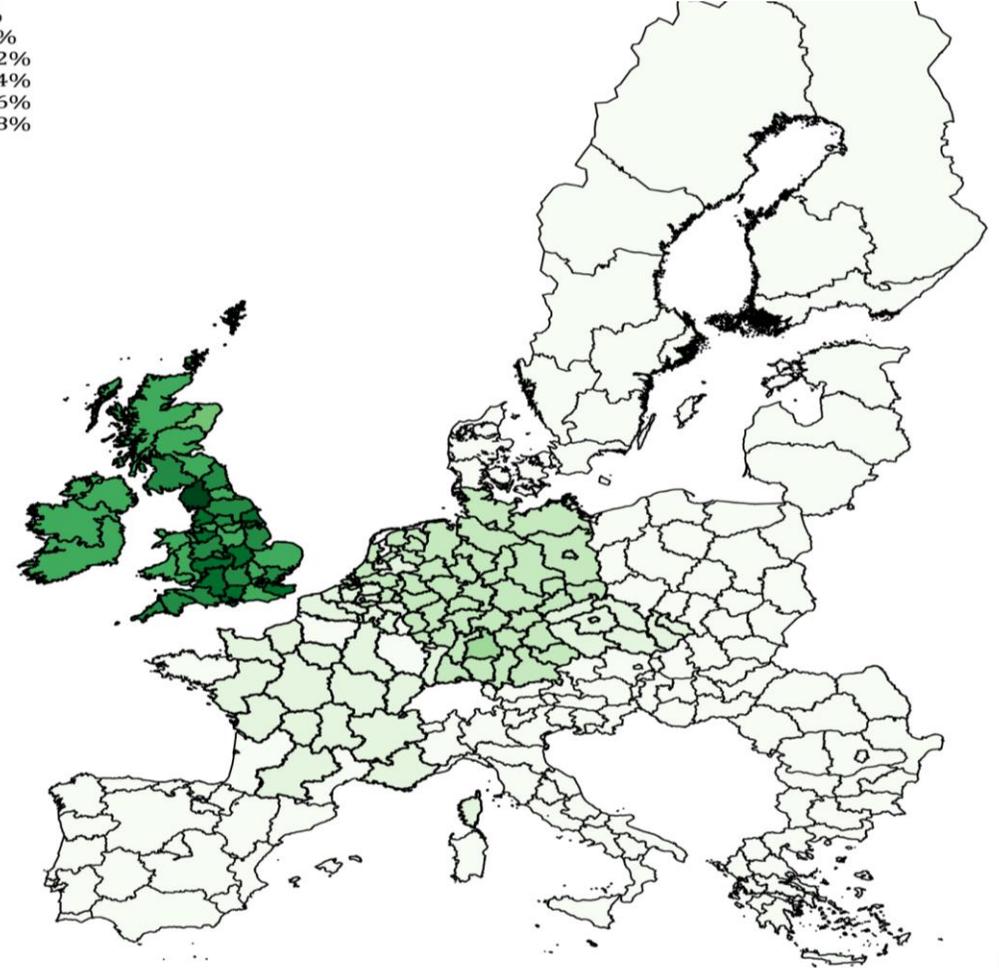
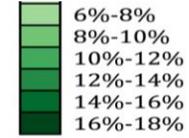
Source: NISRA, CSO & UUEPC analysis

# Regional GVA and the 'exposure' approach

Regional shares of local labour income exposed to Brexit



Regional shares of local GDP exposed to Brexit



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## The Case of Northern Ireland and its sub-regions



# Prospects for Northern Ireland (as a whole)

- As a result of various legacies (depending on your political choices) NI has been firmly stuck in the lower cohort of UK regions across most indicators of economic activity and growth
- Not a new development and *more importantly* not an improving picture
- UUEPC 'baseline scenario' with a mild Brexit effect does not see this position improving and indeed GVA growth below 1.5% p.a. to 2027
- Most Brexit-related forecasts suggest NI's GVA will be less than it would have been by 2030 by a range of 3% to 8% depending on the shape of the final deal

# What has Brexit meant (so far) for NI?

- Process of weakening the common political ground since August 2016?
- Arguments over the scale of impact/opportunity has distracted from developing post-Brexit solutions and policies
- Devaluation of the £ and the tourism and retail bonus but inflation cost
- Uncertainty and the shelving of investment, recruitment and market entry decisions
- Bringing the border back into politics



# Geography of NI and its sub-regions

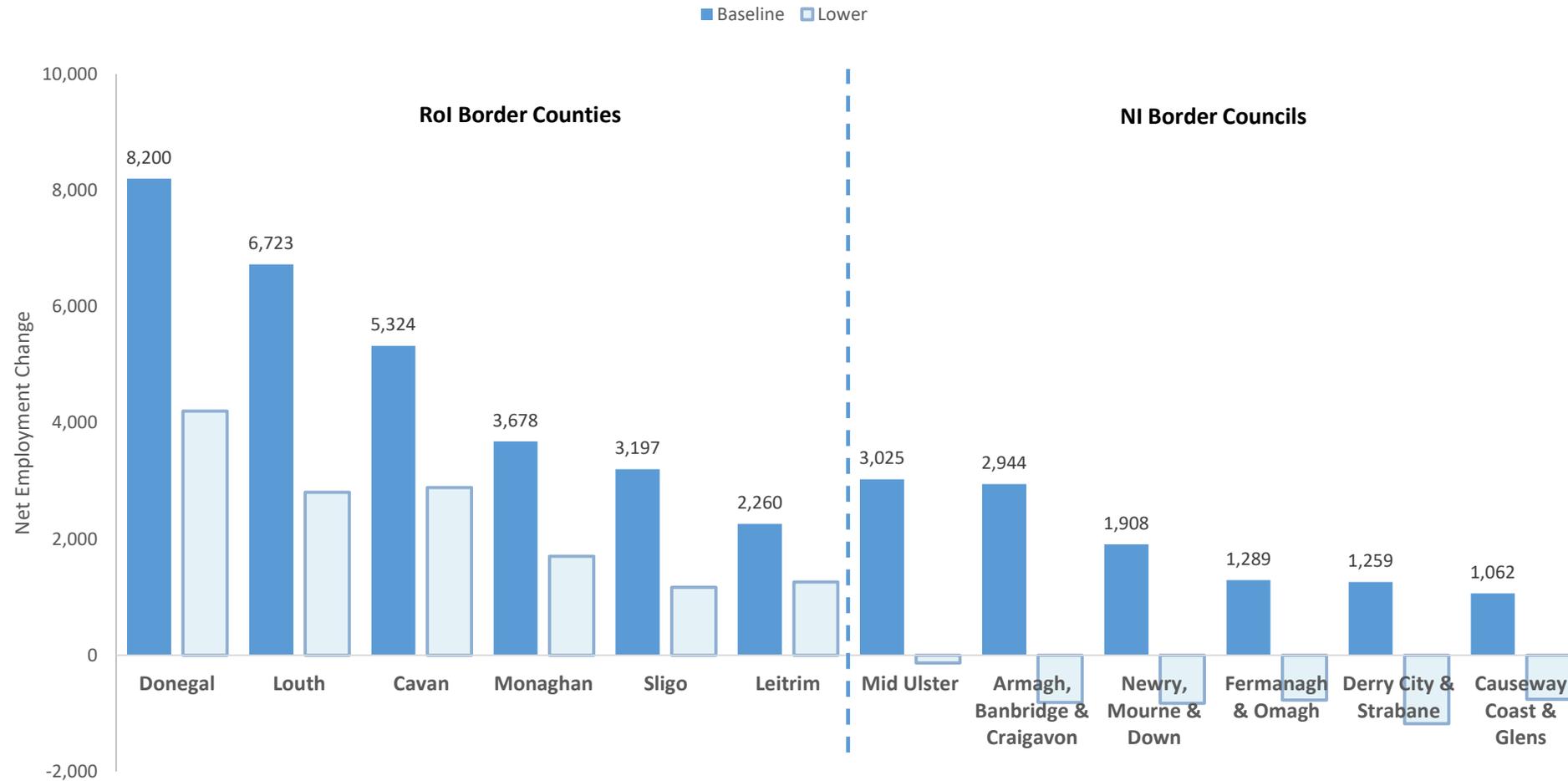
- Replication of the UK North/South divide or inequality on a smaller (East/West) scale
- Political geography inspired by partition decision in 1920-1921
- Economic geography created by uneven development followed by deindustrialisation
- Regional policy shaped by UK policies and EU funding instruments
- A historical case study of being 'too big to fail' but too small to thrive?



# UUEPC research on the prospects for NI's sub-regions

- UUEPC research programme since autumn of 2016 on the prospects for local areas of NI – result of local government action against central inaction
- Series of projects for **Belfast**, **North West** (Derry/Donegal), **Border Corridor** (12 Councils) and **Belfast City Region** (6 Councils)
- Two stage processes in an attempt to marry top-down and bottom-up approaches:
  1. Profile of regions and development of employment forecasts (baseline and lower)
  2. Consultations across sections of the economy likely to be impacted and development of recommendation for any mitigation

# Border Corridor labour market forecasts, 2017-2027



Source: UUEPC analysis

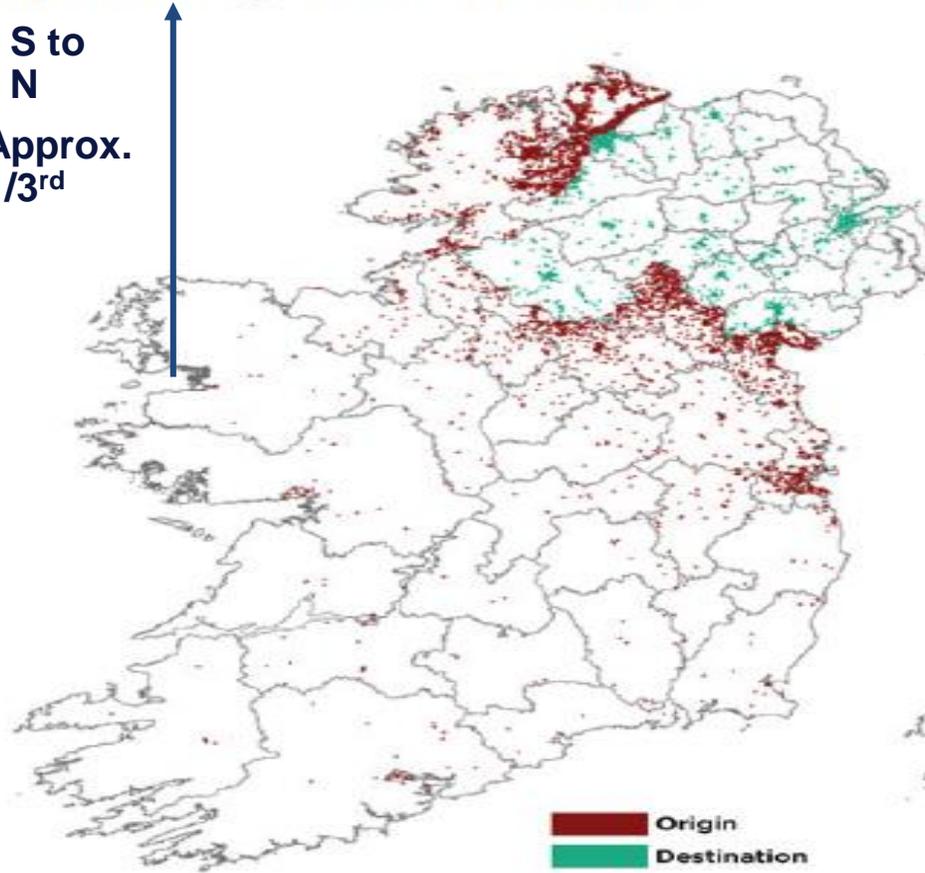
# What does the research tell us?

- Brexit heightens concerns around regional connectivity and competitiveness
  - **Therefore mitigation focusing on infrastructure, market access (or new zones) and skills**
- Increasing focus on what flows sustain businesses and communities (of people, supply chains, funding and knowledge) but also relative importance of North/South, East/West or EU/non-EU origin and destination of these flows
  - **Different for different places and thus focus differs too**

# Cross-border commuters (c.25-30,000 daily) and crossings (c.100,000 per day)

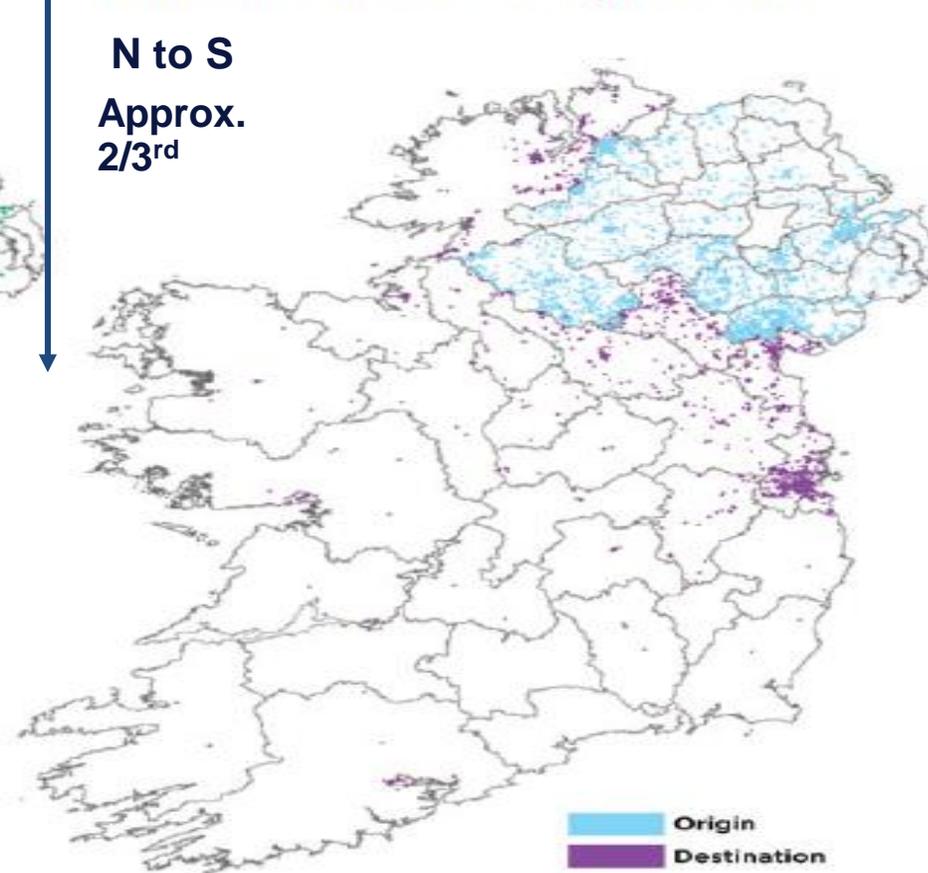
Cross-border commuters from Ireland to work or study in Northern Ireland

S to N  
Approx.  
1/3<sup>rd</sup>



Cross-border commuters from Northern Ireland to work or study in Ireland

N to S  
Approx.  
2/3<sup>rd</sup>



Source: All-Island Research Observatory using Census 2011 data

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## Some Final Thoughts

How it works'



The  
Irish  
Border

# What does the Brexit process reveal about regional policies and strategies?

- There remains a danger of economic research and approaches dominating debate too much
  - The Brexit question has identified a need to reflect on other voices (eg: Hayward on ICBAN region)
- For all the attempts to ignore it or reduce its importance the Irish border continues to matter
  - How can regional strategies reflect the multiple nature of border barriers, bridges and flow?



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# // Thank you

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