

INCLUSIVE AND SUSTAINABLE GROWTH

DEVELOPING A NEW ECONOMIC STRATEGY
FOR THE NORTH OF IRELAND





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Developing a New Economic Strategy for the North of Ireland

**MARY LOU
McDONALD TD**
UACHTRÁN
SHINN FÉIN



**MICHELLE
O'NEILL MLA**
LEAS-UACHTRÁN
SHINN FÉIN



**CONOR
MURPHY MLA**



**CAOIMHE
ARCHIBALD MLA**



**MÁIRTÍN
Ó MUILLEOIR MLA**



**PEARSE
DOHERTY TD**



**IMELDA
MUNSTER TD**



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🔗 Please send comments to assemblypolicy@sinnfein.ie



INTRODUCTION

A new strategy is needed to improve economic policy and performance in the north. In 2018 economic growth in this region was 0.9% compared to 1.4% in Britain and 6.7% in the south of Ireland.

In 2017 the DUP Economy Minister published a draft strategy entitled Economy 2030. This document does not adequately acknowledge key economic weaknesses or seek to understand why past strategies have failed to address them. With too many indicators of success it lacks focus. The fundamental issue of productivity doesn't receive the attention it deserves while the urgent need to decarbonise is completely absent. How the economic strategy aligns with other government strategies is not explained. Important sectors including tourism, the creative industries, retail, and hospitality are sidelined. The imperative of creating a tolerant, diverse, and welcoming society in which people want to live, work, and invest in is neglected. The potential of the all-Ireland economy is ignored. And the economic catastrophe of Brexit receives one cursory mention. In short, Economy 2030 does not provide a solid basis to deliver the required improvement in economic performance.

THIS CONSULTATION DOCUMENT SETS OUT SINN Féin's PROPOSALS FOR INCLUSIVE AND SUSTAINABLE GROWTH.

IT RECOMMENDS:

- ☞ **A candid and comprehensive appraisal of economic performance and why previous strategies have not addressed key weaknesses.**
- ☞ **A Mission focussed on creating Good Jobs, promoting regional balance, reducing carbon emissions, and increasing productivity.**
- ☞ **A broad policy agenda that promotes this Mission and aligns with other government plans including investment, skills, energy, childcare, and anti-poverty strategies.**
- ☞ **The development of Action Plans, in partnership with business and trade union representatives, tailored to the specific needs of all major economic sectors.**
- ☞ **The transfer of additional powers that can help the Executive realise its Mission.**
- ☞ **The creation of a tolerant, welcoming, rights-based society that a diverse range of people will want to live, work, and invest in.**
- ☞ **Strengthening the all-Ireland economy and aligning the north with the higher growth trajectory in the south of the island.**
- ☞ **A plan to mitigate the economic damage of Brexit.**

As the higher growth trajectory of the southern economy shows, greater prosperity in the northern part of the island is achievable. And there are many success stories which demonstrate the creativity, drive and potential of our people. It is time for an economic strategy that realises this potential.



CURRENT ECONOMIC PERFORMANCE

The new strategy should start with an honest and rigorous appraisal of economic policy and performance. Lessons should be drawn out and incorporated into the new approach. Instead, in a chapter entitled 'Our Improving Economy' *Economy 2030* presents the north as a roaring success. The previous *Economic Strategy* is not evaluated and no lessons are identified for future policy.

An economy's performance is generally (if imperfectly) measured by its growth rate. The table below shows that in 2018 the north had the lowest rate of growth on these islands. This is a long-term trend. A fundamental reason for these divergent growth trends is productivity (output per hour worked). Productivity in the north is approximately 15% lower than that of Britain.¹ Meanwhile the south of Ireland has one of the highest productivity rates in the EU.

TABLE: ECONOMIC GROWTH IN 2018

Location	Growth
South of Ireland	6.7%
Britain	1.4%
North of Ireland	0.9%

Sources: Eurostat and EScOE

The new Strategy should be informed by a more candid and comprehensive analysis of these problems and why previous strategies have not addressed them. The performance of the north's economy can be improved, but only if its difficulties are properly acknowledged and understood by policy makers.

KEY POINTS

- ☞ **The north has the lowest rate of economic growth on these islands.**
- ☞ **This low growth is underpinned by low employment and low productivity.**
- ☞ **The new economic strategy should analyse these problems, examine why they have not been successfully addressed by previous strategies, and identify lessons for future policy.**

¹ EPC (2019) Understanding Productivity in NI.



THE MISSION

A new Economic Strategy needs clear objectives which can be used to develop policy, prioritise resources, and assess progress. *Economy 2030* proposes 29 indicators. Having so many indicators risks losing the focus needed to target activity and provide a clear measure of success. We propose four key objectives to encapsulate the Mission of a truly prosperous economy – a regionally balanced, productive, zero carbon economy with Good Jobs.

GOOD JOBS

The economy matters most to people in terms of the jobs it creates. While increasing the employment rate is crucial, *the quality* of jobs must also be considered given the rise of precarious, low-paid forms of employment such as zero hour contracts and bogus self-employment (where companies deny employees their rights by defining them as ‘independent contractors’). Low-paid and insecure jobs make it difficult for working families to make ends meet, and allows unscrupulous employers to undercut their competition by underpaying their workers. Such jobs deny public services vital tax revenue and undermine productivity.²

One of the indicators proposed in *Economy 2030* is a Better Jobs Index, which is undefined. Sinn Féin propose a Good Job Index, which is included in the draft Programme for Government. A Good Job has two elements. One, it pays at least the Living Wage (an estimate of the hourly pay that gives a full-time worker a reasonable standard of living as calculated by the Living Wage Foundation). Around one quarter of employees in the north are paid less than the Living Wage. Two, the job provides a degree of security. 38% of workers are in an insecure form of employment such as self-employment, part-time work, or a temporary contract.

REGIONAL BALANCE

Where people live can profoundly influence their opportunities to work and start up a business. Just as past government policy has helped cause regional imbalances, so future government policy must reduce regional imbalances. To its credit, one of the indicators proposed by *Economy 2030* is a more equal rate of employment across Council areas. As the table below shows, employment rates range from 62% in Derry City and Strabane to 78% in Antrim and Newtownabbey, a 16 percentage point gap. Given the large size of Belfast and the disparity within the city, this Council area should be broken up into its four Parliamentary Constituencies.

EMPLOYMENT RATE 2018 (%)

Antrim and Newtownabbey	78	North Belfast	71
Lisburn and Castlereagh	77	Fermanagh and Omagh	69
Armagh City, Banbridge and Craigavon	74	South Belfast	68
Mid Ulster	74	Causeway Coast and Glens	67
East Belfast	74	Newry, Mourne and Down	67
Ards and North Down	73	West Belfast	65
Mid and East Antrim	71	Derry City and Strabane	62

² NERI (2018) *Bad Jobs and Productivity: The Flexibility Paradox*.



A ZERO CARBON ECONOMY

The use of fossil fuels to power the Industrial Revolution has released significant carbon dioxide into the atmosphere, contributing to a 1 degree Celsius increase in the earth's temperature since 1880. The scientific consensus is that a 1.5 degree increase is a dangerous threshold which should not be crossed. A 2 degree increase in pre-industrial temperatures would be catastrophic while a 4 degree increase, which on the current trajectory will be reached by the end of this century, would irreversibly undermine the planet's ability to support human existence. The need to reduce carbon emissions is therefore of the utmost seriousness and urgency. Yet decarbonising the economy is not one of the Indicators proposed in Economy 2030. A realistic but ambitious target to eliminate carbon emissions should be set, taking into account the scientific consensus that the earth should work towards zero net emissions by 2050.

PRODUCTIVITY

Productivity is a key determinant of wage levels and overall living standards. Low productivity is a fundamental cause of this economy's underperformance. The Indicator of improved productivity proposed in Economy 2030 is the percentage of "Invest NI companies confirming a positive productivity impact". This is inadequate as it only covers a fraction of companies and it is a self-reported rather than an empirically-based measure. The new economic strategy should simply use GVA per hour worked. Achieving the transition from a low-productivity to high-productivity activities is a major challenge, but it is one that should be confronted rather than shied away from.

KEY POINTS

- 📌 **The economic strategy should be grounded in a clear and focussed Mission.**
- 📌 **That Mission should be the creation of a productive, sustainable, regionally balanced economy with Good Jobs.**



ECONOMY-WIDE POLICY

Economy 2030 is light on policy proposals. As a high-level document it is reasonable and appropriate for more detailed policies to be developed subsequently. However the new economic strategy should identify the key policy interventions required to deliver a step-change in performance, and the links with other government strategies.

GOOD JOBS

Increasing employment requires a new back-to-work programme to replace Steps 2 Success. The vast majority of people who are out of work are 'economically inactive' (not actively looking for work) but Steps 2 Success has primarily focussed on the officially unemployed (those actively looking work). The new employment programme should cater for everyone who wants to work, whether they are categorised as active or inactive. It should also provide comprehensive and tailored training for identified vacancies, rather than generic training. Belfast City Council's Employment Academies provide a successful model that could be scaled up. Childcare that is local, flexible to different working patterns, and affordable is essential to increasing employment. The most recent survey by Employers for Childcare found that the average cost of a full-time childcare place is £8,630 per year. A new childcare strategy that reduces this exorbitant cost for parents should be a focus for a new Executive.

These interventions can increase the overall employment rate but it is also vital that people are employed in Good Jobs. As a major employer the government can directly promote the Living Wage by ensuring all public sector staff are paid above that threshold. To tackle insecure work Zero Hour Contracts should be banned. In the South, Sinn Féin proposed Banded Hour Contracts which offer flexibility but which reflect the actual hours an employee regularly works. These contracts, which provide more certainty for workers to plan their finances and access credit, have now been legislated for. The practice of employers bogusly designating their employees as self-employed, in order to avoid paying sick pay and other entitlements is completely unacceptable and should be banned

outright. In addition, just as the decline of collective bargaining facilitated the rise of precarious and low-paid jobs, so stronger collective bargaining rights can contribute to Good Jobs.³ A new strategy to replace *Securing Our Success* should ensure that apprenticeships are a viable route for Good Jobs in a wide range of sectors, including the public sector which currently does not have an apprenticeship scheme.

REGIONAL BALANCE

In order to promote regional balance, investment in physical infrastructure (such as roads and rail links) and digital (particularly broadband) infrastructure should prioritise underdeveloped areas. The tourism offering in areas outside of Belfast must be enhanced and better marketed. Nurturing environments for start-ups, currently concentrated in Belfast, must be expanded across the region. Public sector employment should be decentralised, building on the Department for Agriculture and Regional Development's relocation from Belfast to Ballykelly. Crucially, the economic plans developed by Councils, grounded in local needs and priorities, should be supported by all Executive Departments. These include the north west's Strategic Growth Plan and the economic plan being developed by Armagh City, Banbridge and Craigavon, Fermanagh & Omagh, and Mid Ulster Councils. City/Inclusive Growth Deals will help fund these local-led plans.

DECARBONISATION

A new energy strategy, to replace the *2010 Strategic Energy Framework*, will be key to decarbonising the economy. It must set out an ambitious plans for a just transition to zero carbon energies such as wind, solar, and wave energies, in a way which maintains affordability and security of supply. There should be a moratorium on the extraction of fossil fuels, and a ban on fracking. As the largest consumer of energy in the north (with an annual spend of £170m) the public sector should be exemplary in terms of energy efficiency and generation. A rapid switch from petrol vehicles to electric cars is necessary. Investment in charging points is key to achieving this goal. A much more ambitious programme for

³ See Sinn Féin (2019) *Towards a New Employment Model*.



planting trees, which mitigate global warming by absorbing carbon dioxide, is needed. A Green New Deal should be established to create Good Jobs in industries and occupations that can assist in the transition to a zero carbon economy. We must also encourage a circular economy in which materials are recycled and reused in order to conserve resources and reduce environmental impacts.

PRODUCTIVITY

Raising productivity requires an improvement in physical and digital infrastructure, and an increase in skill levels. The region has a relatively low level of graduates and a high proportion of people with basic or no qualifications.⁴ As explained in the NERI paper *A Low Skills Equilibrium in NI?* it is vital that higher skills are accompanied by government interventions that equips firms to scale up, compete in higher-value markets, and therefore utilise higher skills. The shift to higher-value activities also requires a reappraisal of the current approach to Foreign Direct Investment. Lessons can be learned from the Industrial Development Agency (IDA) which has very successfully targeted high-productivity, high-skilled, high-paid companies and industries. Ultimately however the obstacles to enhanced productivity are specific to each sector of the economy. Improving productivity therefore requires tailored, co-ordinated, and targeted action in specific sectors.

PROCUREMENT

Each year government spends £3bn on goods, construction, and services. This purchasing power should be harnessed towards a productive, carbon-neutral, regionally balanced economy with Good Jobs. The contribution to this mission by companies applying for government contracts should be recognised and rewarded in the scoring of tenders. A Social Value Act should provide public sector commissioners with a clear legal underpinning and a duty to factor the government's social, economic and environmental objectives into procurement exercises. Government should support productivity by acting as a lead buyer of innovative goods and

services and by setting challenges for the private sector to create new goods and services.⁵ Training and guidance should be rolled out across the public sector to ensure implementation.

KEY POINTS

- ✎ **The new economic strategy should outline the key policy interventions required to deliver a step-change in performance.**
- ✎ **Policies to promote Good Jobs should include a new back-to-work programme, a strategy for quality and affordable childcare, the public sector becoming a Living Wage employer, banning zero hour contracts and bogus self-employment, and stronger collective bargaining rights.**
- ✎ **Policies to promote regional balance should include investing in the physical and digital infrastructure of underdeveloped areas, enhancing the tourism offering outside of Belfast, expanding support for start-ups across the region, and central government backing for Council-led economic plans.**
- ✎ **Policies to decarbonise the economy should include a new energy strategy that promotes renewables, a moratorium on the extraction of fossil fuels and a ban on fracking, exemplary energy-efficiency within the public sector, a rapid switch to electric vehicles, an ambitious tree-planting programme, a Green New Deal, and the promotion of the circular economy.**
- ✎ **Policies to increase productivity should include an increase in infrastructure and skills, assistance for sectors to compete in higher-value markets, and a stronger focus on high-productivity FDI.**
- ✎ **A Social Value Act should be introduced to ensure that government procurement supports the Mission of a productive, regionally-balanced, zero carbon economy with Good Jobs.**

⁴ See McGuinness and Bergin (2019) *The Political Economy of a Northern Ireland Border Poll*.

⁵ See NICVA (2015) *Fostering Innovation through Procurement* and Mazzucato (2014) *The Entrepreneurial State*.



SECTOR-SPECIFIC POLICY

A promising aspect of Economy 2030 is its emphasis on the importance of a sectoral approach. It states;

“A sectoral approach enables efforts to be focused on the needs of similar clusters of companies, while addressing the issues impacting on them, whether that be skills, productivity including manufacturing processes, infrastructure, energy, innovation or access to markets” (page 24).

As this citation recognises, firms tend to form clusters that specialise in a particular market, and that are highly interconnected and interdependent. The specific needs of clusters tend to be missed by policies and programmes that target the economy as whole, or that target individual companies in isolation. In theory a focus on sectors facilitates more tailored, more strategic, and ultimately more effective support for businesses. Whether a sectoral approach actually results in more effective support depends on how it is put into practice.

Economy 2030 identifies six broad sectors⁶ that it proposes to focus government support on, arguing that they are (or can become) world class. In Sinn Féin’s view, sectors should not be prioritised in this manner. The activities which should be prioritised are those that best contribute to the Mission of a sustainable, productive, regional balanced economy with Good Jobs – regardless of which sector they involve. Government interventions should be prioritised on the basis of the *outcomes they deliver, not sectors*. Nor should government attempt to pick winning sectors in this way. It should provide tailored support to all major sectors of the economy, not selected industries only. That includes retail, hospitality, tourism, the creative and arts industries, and social enterprise, all of which *Economy 2030* disregards.

In order to understand and respond to the unique needs of each sector, we propose that the Department for the Economy oversees and approves a three-stage process.

- 1. Mapping:** Identify the major sectors that make up the economy.
- 2. Prescription:** Conduct an analysis of each sector to identify the difficulties it is experiencing.⁷ The issues will be unique to each sector, but could include skill gaps, access to finance, the structure of the tax system, insufficient market knowledge, a lack of R&D or innovation, inappropriate regulations, poor physical and/or digital infrastructure, etc.
- 3. Develop solutions:** Use the analysis to develop an Action Plan to address the problems identified, and to help the sector contribute to the Mission. These Action Plans should be kept up to date so that government can respond quickly as circumstances change and as new information becomes available.

Implementing this sectoral approach will require a close collaboration between government (with Universities and colleges playing a particularly critical role) and business. To facilitate this collaboration, the Department for the Economy should establish Sectoral Partnerships comprised of government officials, trade unions, and industry representatives. These Partnerships will ensure a flow of information and action between business and government. They will develop the Sectoral Plans, keep them up to date, and ensure they are implemented by public bodies and business alike.

The potential benefits of a collaborative approach are considerable and, in such a small society, achievable. However as the RHI Inquiry has highlighted, a close relationship between government and business also carries the danger that firms with close connections to government officials will receive favourable treatment. Transparency and accountability are key. The discussions and activities of Sectoral Partnerships should be public, with exceptions only where absolutely necessary. Independent experts should be embedded in

⁶ Financial, Business and Professional Services; Digital and Creative Technologies; Advanced Manufacturing, Materials and Engineering; Life and Health Sciences; Agri-food; and Construction and Materials Handling.

⁷ See Rodrik (2007) *One Economics, Many Recipes*.



Partnerships to verify that the Partnerships are operating in an open and scrupulous manner. The support packages contained in Action Plans should be conditional on businesses contributing to the government's objectives and regularly evaluated so that ineffective interventions are stopped quickly.

KEY POINTS

- ☞ **Sectoral Action Plans should provide tailored support to industries.**
 - ☞ **Action Plans should be developed for all major sectors of the economy.**
 - ☞ **Sectoral Partnerships comprised of government officials, trade unions, and industry representatives should be established to help develop these Action Plans.**
 - ☞ **The activities of these Partnerships should be transparent and rigorously evaluated.**
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ECONOMIC POWERS

It's important that a restored Executive is equipped with the powers needed to deliver a step-change in economic performance and achieve its Mission. If Corporation Tax is transferred the Executive would still lack control over significant taxes and policy levers including:

- The Minimum Wage.
- Capital Gains.
- Stamp Duty on property purchases.
- Air Passenger Duty on short-haul flights.
- Income Tax.
- The Apprenticeship Levy.
- VAT.

Gold and silver deposits and the region's seabed (vital to the development of renewable energy) remain under the control of the Crown Estate. There are also constraints on the Executive's ability to borrow (under the Reinvestment and Reform and Initiative) and to carry over unspent monies (under the Budget Exchange Scheme).

The Stormont House Agreement of 2014 included a commitment that the Executive would "consider additional fiscal devolution" based on an assessment of the social and economic benefits that a range of taxes could deliver. This commitment was not implemented. In developing a new strategy the contribution of various powers to the economic Mission should be assessed. This assessment will provide an objective and evidence-based mechanism for the Executive to agree which additional powers to take control of, and how to use them.

KEY POINTS

- ☞ **The Executive should be equipped with the powers it needs to deliver a step-change in economic performance.**
- ☞ **There are severe constraints on the Executive's policy levers, borrowing capacity, and ability to carry over money.**
- ☞ **The economic strategy should assess the potential of additional powers to deliver an improvement in economic performance.**



AN ATTRACTIVE PLACE TO LIVE, WORK AND INVEST IN

Modern economies fundamentally rely on the skills, entrepreneurship, and talent of people. A successful economy therefore not only requires an improvement in economic policy, but also the creation of a society that people want to visit, and to live, work, and invest in. *Economy 2030* is silent on this imperative.

Good public services including good education, housing, and health systems increase the attractiveness of a society. Creative, artistic and cultural activities, as well as being dynamic industries in their own right, are vital to creating a vibrant place. Safe and lively city and town centres are also a major draw. We need to encourage high street living and liberalise our archaic licensing laws to revitalise the nightlife economy of city and town centres.

A society which unduly limits how people live their own lives and is intolerant to difference is unlikely to retain or attract the people it needs to drive growth. One of the most meaningful ways to ensure that individuals can live their lives as they choose, free from prejudice and discrimination, is by guaranteeing their rights in law. Delivering the Bill of Rights envisaged in the Good Friday Agreement, and modernising equality protections through a Single Equality Act, would lay a strong foundation for a rights-based society in which everyone is treated with respect and dignity.

A diverse society requires openness to immigration. Immigrants bring additional skills and knowledge, new ways of thinking, and extra spending power. Restrictions on EU immigration must therefore be opposed in favour of continued freedom of movement. In addition to avoiding the imposition of legal restrictions on immigration it is important to send out a clear signal that this society rejects the xenophobia driving Brexit. The 'chill factor' created by the Brexit vote has already led many foreign workers to leave, causing skill gaps in sectors such as healthcare, agri-food, and hospitality.

The Good Friday Agreement has transformed how this society deals with difference, but the desire to constrain how people live their lives continues to be demonstrated through for example, opposition to equal marriage for LGB&T people, excessively restrictive abortion laws, and hostility to the Irish Language. The rights that are afforded to people and the attitude of a society towards diversity are important economic, as well as moral, issues. Prosperity and rights go hand in hand.

KEY POINTS

- ☞ **A successful economy needs a tolerant society that people want to live, work, and invest in.**
- ☞ **Good public services, vibrant city and town centres, a flourishing arts sector, and openness to immigration help create a welcoming, diverse, and thriving society.**
- ☞ **A Bill of Rights and a Single Equality Act would provide a strong foundation for people to live their lives free from prejudice and discrimination.**



A CONNECTED ISLAND

The benefits of economic co-operation and integration across the island are widely recognised. Yet *Economy 2030* makes no mention of the all-Ireland economy.

On such a small island it makes sense to market the whole of Ireland as a single tourist experience. All-Ireland tourism opportunities, such as integrating the north into the south's hugely successful tourism brands (the Wild Atlantic Way, Ireland's Ancient East, Ireland's Hidden Heartlands) should be fully embraced. To help market the island's tourist offering, the budget of Tourism Ireland should at least be restored to its 2008/09 level in real terms. The budget for Intertrade Ireland, which promotes cross-border trade, should also be returned, as a minimum, to its 2008/09 position.

Cross-border transport links should be enhanced to pool workers and job opportunities, and to facilitate the transport of goods. A key project to strengthen connectivity is the Belfast-Dublin Corridor. This aims to upgrade transport links (primarily through faster and more regular train services) so that the corridor in between the two cities functions as a single economic unit within which people can easily live, work, and visit.

In promoting regional balance generally it's important to recognise the particular challenges faced by the border counties which are on the periphery of two states, rather than at the heart of an all-Ireland economy. To address the disadvantages created by the border, governments on both parts of the island should co-design and co-fund economic plans developed by Councils along the region.

Brexit poses a major threat to the all-Ireland economy. Common membership of the EU underpins the invisible border and helps seamless all-island commerce. The backstop contained in the Withdrawal Agreement between the British Government and the EU, and supported by a majority of MLAs, is the very minimum needed to protect the all-Ireland economy.

The net benefits of full north/south integration have been estimated at €23.5bn over eight years,⁸ but even within the current constitutional arrangements more can be done to strengthen connectivity and align this region with the higher growth trajectory on the rest of the island.

KEY POINTS

- ☞ **All-Ireland co-operation can help align the north with the higher growth trajectory on the rest of the island.**
- ☞ **North-South bodies should be adequately funded to develop all-Ireland economic co-operation.**
- ☞ **Cross-border transport links, including between Belfast and Dublin, should be enhanced.**
- ☞ **Local economic plans for the border counties should be supported by both governments.**

⁸ Hubner (2018) *The Costs of Non-Unification*.



BREXIT

Economy 2030 was published seven months after the referendum on EU membership produced momentous implications for economic activity within and between these islands, and for the north's trading relationships with the rest of the world. Incredibly, *Economy 2030* merely notes that there is "a changing economic landscape on the horizon as a result of exiting the European Union".

Numerous studies both before and after the referendum have modelled the economic impacts of Brexit. Recent analyses include CBI's⁹ estimate that restrictions on immigration could lead to a loss of 9.1% in growth and the Department for the Economy's projection that a no-deal Brexit would put 40,000 jobs at risk. The new economic strategy must assess these risks and, as far as possible, set out how they can be mitigated. This should include general mitigations and sector-specific interventions in recognition that the damage of Brexit will be felt differently in different sectors.

Although there is no economic good to come from Brexit, a degree of mitigation is possible. The efforts of various political players in Ireland, including Sinn Féin, have secured recognition from the EU that the north of Ireland is a special case deserving special status. One expression of this special status is the backstop, but this is only the minimum necessary to ensure no hardening of the border. If the event of negotiations on the future relationship, a more comprehensive form of special status should be sought which retains full access to the EU labour market, its funding streams, and its trading relationships.

Professor Hubner's *The Costs of Non-Unification* models the impact of Brexit on the island's economy. His analysis indicates that over eight years, special status would reduce the damage of a No Deal Brexit from €33.5bn to €17.6bn. Irish reunification is the only positive scenario, boosting GDP by €23.5bn. A new economic strategy should mitigate the impact, but only a New Ireland can overcome the damage of Brexit.

KEY POINTS

- ☞ **Brexit has profound and wide-ranging economic impacts.**
- ☞ **The new economic strategy should set out how these impacts will be mitigated at both economy-wide and sector-specific levels.**
- ☞ **The EU's recognition of the north's Special Status should be used to protect our economic interests.**
- ☞ **The economic damage of Brexit can only be overcome in a New Ireland.**

⁹ CBI (2018) *All Together Better*



CONCLUSION

Once a hub of industry and innovation, the north of Ireland is today a relatively low skill, low productivity, low wage economy. *Economy 2030* does not address these challenges. Indeed it doesn't even face up to them, favouring a positive spin on the region's economy and downplaying glaring threats such as Brexit.

These challenges can be addressed. The higher growth rate in the south of Ireland gives an indication of what is possible. In Sinn Féin's view this island's potential will only be fully realised when the two economies are fully harmonised, but a more successful economy can be created in the north within the constraints of the current constitutional arrangements. *Economy 2030* is unlikely to deliver the required step-change in economic policy and performance. A new economic strategy requires:

- A candid and comprehensive appraisal of economic performance and why previous strategies have not addressed key weaknesses.
- A Mission focussed on creating Good Jobs, promoting regional balance, decarbonisation, and increasing productivity.
- A broad policy agenda that promotes this Mission and aligns with other government plans including investment, skills, energy, childcare, and anti-poverty strategies.
- The development of Action Plans, in partnership with business and trade union representatives, tailored to the specific needs of all major economic sectors.
- The transfer of powers that can be used to help fulfil the economic Mission.
- The creation of a tolerant, welcoming, rights-based society that a diverse range of people will want to live, work, and invest in.
- Strengthening the all-Ireland economy and aligning the north with the higher growth trajectory in the south of the island.
- A plan to mitigate the economic damage of Brexit.

Such a strategy can help deliver an economy that is *inclusive*, by promoting Good Jobs and regional balance; that is *sustainable*, by reducing carbon emissions; and that grows by raising productivity.



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