

Sectoral Dialogue on the Implications of Brexit on Culture, Heritage, Regional SMEs & the Impact on Border & other Rural Communities – Summary Report

Minister Heather Humphreys hosted a Sectoral Dialogue on the implications of Brexit on Culture, Heritage, Irish Language, Regional SME's & the Impact on Border & other Rural Communities in Cavan on 6th February. Over 100 stakeholders attended the event which was moderated by George Lee. There was engaged and active discussion of the issue throughout the day.

The Minister and Secretary General outlined the Government's ongoing response to Brexit and a panel of experts covering the broad range of sectors under the remit of the Department of Arts, Heritage, Regional, Rural and Gaeltacht Affairs each gave a short overview of the implications of Brexit for their sector.

- **Overview** - Katherine Licken, Secretary General
- **Culture & Irish Language** - Orlaith McBride CEO Arts Council
- **Heritage & Outdoor Recreation** - Dawn Livingstone CEO Waterways Ireland
- **Regional SMEs** - Arnold Dillon, IBEC
- **Impact on Border Communities** - Allen McAdam, International Fund for Ireland
- **Impact on other rural communities** - Louise Lennon, Irish Rural Link

Roundtable discussions were then held to consider the immediate impact of Brexit, longer term impacts and how they might be mitigated. These fed back into a broader panel discussion.

There was significant engagement and this report, prepared by the Western Development Commission (WDC), provides a summary of the discussions held and the issues raised by stakeholders¹.

It is organised under the following themes:

1. Common themes from the discussion
2. Citizen/Culture/Community
3. Business/Industry (with particular emphasis on rural areas)

¹ Readers should note that this is a summary record of issues raised by those attending this event. Inclusion of comments or statements does not imply agreement or endorsement of these by D/AHRRGA or the WDC.

Common Themes from the discussions

A number of common themes emerged from the discussion and are reflected in this section.

- Uncertainty over the form and impact of Brexit was key to all of the discussion. This was regarded as a particular problem as we are just emerging from recession. Uncertainty increases risks for businesses, communities, cultural organisations and people as they make decisions. Plans are therefore being delayed until a clearer picture emerges.
- There is very significant variation in the levels of knowledge of the possible implications of Brexit among businesses, communities and people. Some are well informed about possible difficulties or opportunities, others have very poor understanding and will therefore face more difficulty in making plans and developing responses to Brexit.
- This slowdown in individual and business decision making is affecting economic and social activities on both sides of the border, even before the full consequences of Brexit are known. Currency fluctuations and the loss of value of sterling have had the most immediate impact which has led to other direct impacts on tourism and retail businesses.
- There has been a significant increase in cross border activity since the Good Friday Agreement and there is concern that this will be diminished. This has business implications but also intangible psychological effects on the mind-set of those living close to the border. Ensuring the continued implementation of the Good Friday Agreement with associated institutions and commitments was regarded as essential.
- Currently the UK and Ireland are in a common regulatory regime but this will change. Across all sectors (discussed further below) there were concerns about the implications of divergence in regulation and implementation of different regulatory approaches. This is an issue in a variety of areas including, for example, procurement and data protection (more detail on this in the following sections).
- Maintenance of the Common Travel Area and free movement of people was important to all involved in the discussion. Organisations staff and experts in various sectors move across borders regularly and any restrictions would negatively affect the functioning of these organisations and businesses.
- The form of future taxation agreements, VAT rules and rates could be very significant and have important implications for businesses and arts and cultural enterprises.
- There was a view that many of the benefits of Brexit will be felt in larger urban centres and that border and rural regions will be most negatively affected because of their proximity to the border, the nature of their enterprises and their smaller population base. There is concern that there could be further rural de-population if the opportunities that Brexit may bring are confined to the Dublin area. This needs to be addressed in a coherent manner.
- It was agreed that the border counties will be most affected by Brexit, and of these counties some may be more severely affected (e.g. Donegal). There are over 300 border crossings and it is not clear whether they will all remain open in the future.

- We need a better understanding of the current trade and activities that take place across borders (between Ireland and Northern Ireland and between Ireland and Great Britain). This includes trade of goods and services but we also have weak understanding of the reasons people are traveling across the border for work, trade or social reasons.
- It was highlighted that if we want a sustainable, viable and vibrant Border region, we need to plan to achieve this. Understanding of the cross border infrastructures which have been developing in recent decades is important, for example the implications of change for roads, energy infrastructure and broadband need to be considered. Changes in the way these are planned and managed will affect both Ireland as a whole and border communities in particular.
- There will be a significant change to the funding landscape in the border region and beyond. It is unclear what will happen with the EU Peace programme, Interreg and other funding streams. Early action on these issues is needed to ensure the best outcomes.
- We need to focus on the development of new markets outside the UK and support both businesses and cultural organisations in doing this.
- In the context of our changing relationship with the UK we will need to assert our Irish culture and identity within Europe and the wider world as something different and separate.

Suggested Actions

- It is important that there is more analysis and understanding of the current situation in regard to cross border trade, cross border service provision, and the on-going community engagement across borders. This information needs to be used as a basis for considering Brexit implications and appropriate response. With more detailed information we can have better policy responses.
- Analysis should not just address issues of business or trade but also the hard to measure issues of social integration, identity and sense of place along the border. We should examine problems individually and develop responses to each.
- It will be important that the implications of differing regulatory standards are well understood and that these are considered both in Brexit negotiations and in developing responses to this regulatory issue in future.
- We should use expertise from other member states which have borders with non EU countries to get a better understanding of the potential issues and to understand their models and means of ensuring that borders and relationships between EU and non-EU countries are as smooth and seamless as possible.
- Special supports for the border region should be considered, in terms of structural funds as well as enterprise and community support and funding.
- The potential for substitution of imports from the UK needs to be explored as it may provide opportunities across a range of sectors.
- Both Ireland and Northern Ireland need to work closely together to understand the possible implications of Brexit for both jurisdictions and to work to achieve the best possible

agreement. In this it is important that there is a close working relationship and significant engagement with the NI Executive so that all island solutions can be implemented.

- Future government policy including the National Planning Framework, should take into account the potential implications of Brexit and the changing nature of the border and ensure that there is a plan for a positive, sustainable future for the border region.

Citizen/Culture/Community

Key Issues

Citizens and Communities

- With Brexit Ireland will need to look more to Europe and develop our own identity in that context relying on our culture, heritage and language and on a vision of ourselves as Europeans.
- It will be important that Ireland can provide a voice for EU citizens in Northern Ireland during Brexit negotiations
- Over the last two decades there has been an opening up of the border with Northern Ireland and a considerable increase in cross-border activities. In addition to the economic benefits of these there are important, yet hard to measure, social and cultural benefits of this interaction. A return to a hard border could have significant intangible impacts on border communities.
- There needs to be a better understanding of the various services, public, private and voluntary, that operate on a cross border basis so that consideration can be given to ensuring that communities are not negatively affected by Brexit.
- Many communities in the border region send a significant number of students to 3rd level education in Northern Ireland. The issue of fees to be paid and future recognition of qualifications need to be examined and appropriate consideration given in negotiations for Brexit and after it.
- Agreements in place for cross border provision of health services and education should be maintained for the benefit of communities on both sides of the border.

Culture

Irish Language and Gaeltacht Affairs

- It is essential that there is continued implementation of the Good Friday Agreement. Guarantees for Irish language speakers in Northern Ireland come under the Good Friday Agreement. Such access to Irish language radio and television (Radio na Gaeltachta, TG4) and education in the medium of Irish at all levels must be maintained.
- It is important that protections for the Irish language and Irish speakers in Northern Ireland, many of which are derived from the EU Convention on Human Rights, are maintained after Brexit.
- Much funding for the Irish language in Northern Ireland and for cross border activities is from the EU and will be affected by Brexit. Alternative funding sources should be explored.
- The focus in relation to Brexit should not just be about jobs and money but should also encompass culture and identity and intellectual well-being. The Irish language is a distinct part of our culture and identity and it should be maintained across the island as a whole with continued planning for the language on an all island basis.

- Brexit could lead to the further isolation of the Donegal Gaeltacht where a significant number (6,000 out of 9,000) of summer college students come from Northern Ireland.
- Free movement is especially important to the Irish language arts and culture sector as the audience is largely limited to this island.

Arts and Heritage

- The free movement of skilled people in the areas such as Arts, Film and Heritage were felt to be particularly important and essential to their continued success. Maintenance of the Common Travel Area and free movement or simplified visa approaches should be prioritised post Brexit. It is particularly important that qualifications continue to be recognised in both jurisdictions after Brexit.
- The UK is a key partner in the Arts and Creative sector, the presence of a shared language is vital to this. These links need to be maintained while at the same time efforts to collaborate with organisations in other parts of Europe must be increased.
- The EU has been a key source of funding for arts, culture and heritage and a significant level of partnership and collaboration has developed. It is important to ensure that this is not lost and that alternative funding sources are found. The €1.4bn Creative Europe Programme is vital to the Arts Community on both sides of the border and it is essential that the budget for this is maintained.
- The Tax Liability Waiver is very important to artists, allowing them to have UK earned income taxed in Ireland. It is important that a similar agreement can be maintained after Brexit. Application of different VAT rates and rules will also make working in the UK and collaboration with UK organisations more difficult for artists.
- Data protection rules are currently the same between Ireland and UK but this will change after Brexit. The application of different data protection standards is of particular concern to arts and cultural organisations that rely on sharing information on potential participants.
- Film production is a truly cross border activity and can involve collaboration of many countries in Europe and globally. It is important that such collaboration should continue to be as easy and seamless as possible post Brexit.
- Films, arts and cultural activities are especially important to the development and maintenance of a unique Irish identity. This has many intangible benefits and which can contribute to wider understanding of Ireland abroad and provide opportunities for new markets globally.
- Heritage contributes to a local sense of identity and sense of place and a rootedness which will be increasingly important in the future.
- In heritage it is important that the same standards of regulation are applied in both jurisdictions.

- The EU currently has competencies in areas such as the Water Framework Directive, the conservation and release of species and control of invasive species. A similar cross border function will be required in future.
- In Northern Ireland after Brexit the single farm payment will no longer apply and this will affect its associated cross compliance on environmental and biodiversity issues. It is important that the standards in this area are maintained as environmental and biodiversity effects will be felt across borders.

Suggested Actions

- There is a need to establish cross border fora in areas of dual concern such as wildlife and local heritage to ensure that ongoing collaboration can continue.
- In order to mitigate the impact of Brexit a systematic method of ensuring collaboration across all fields should be put in place. This could involve MOUs or Special Purpose Instruments which would help to ensure that cross border activities could continue.
- There needs to be a focus on the future and on new forms of collaboration. There are a number of different options for these but it is important that a systematic approach is used and the most appropriate models of collaboration are developed. Many models can work, but in some areas statutory underpinning of the collaboration may be necessary
- EU funding is particularly important to arts, heritage and cultural organisations and it is essential that alternative funding for programmes in these areas is supplied after Brexit.
- Organisations working in the arts are often very small, and may be not-for-profit or have tiny budgets. They cannot afford to take risks exploring new markets so R&D funding programmes to help them develop markets and activities would be useful.
- There is a need to build capacity in Local Authorities especially in the border region to ensure that they can maintain heritage and there is continued application of standards in EIAs and to meet EU conservation targets.

Business/Industry (with particular emphasis on rural areas)

Key Issues

- There was a general feeling of uncertainty with businesses trying to avoid risk and delaying plans.
- Smaller SMEs may be particularly affected by Brexit as much of their export market is in the UK.
- Cross border trading (both with Northern Ireland and Great Britain) will involve increased regulatory and organisational costs. Delays at the border will also increase costs.
- Delays in deliveries across the border could be important. While this is a key issue for larger movement of goods, it could be particularly important for local, small scale businesses who provide services and deliveries across the border and who travel back and forward many times each day. This will increase costs.
- The potential introduction of tariffs and levies will affect businesses, in particular those with high volume and low margin products.
- The impact of the decision on Brexit is already visible. Tourism was affected but it is expected that the effect will be larger in 2017 as people plan their holidays.
- Many supply chains have elements in both the UK and Ireland and the management of these and the development of contracts with UK firms could be more difficult in the future.
- There should be a focus on procurement standards post Brexit as it may be more difficult for Irish companies to compete.
- The UK may become more attractive to business for location, for various reasons including wage, other costs and taxation post Brexit, this may take opportunities from Ireland. This needs to be considered and a response strategy developed.
- Agri- food is one of the areas at most risk and this is often not a part of trade deals. Implications of tariffs and future trading patterns need to be considered, and we need to focus on getting the best possible deals on tariffs and quotas.
- Many companies are already thinking about other markets and looking at how they can develop in the future.
- The marine border with the UK is very important especially in the area of fisheries. With current EU fisheries policy many Irish and other EU trawlers are allowed to fish in UK waters. After Brexit this will be limited. This means there is a smaller area to be fished by both Irish and EU fishers, and there will be more pressure on fisheries in Irish waters. It is important that negotiation of access to fishing is a key part of Brexit negotiations, and it is equally important that the current fisheries agreements in the EU are amended to reflect the changes in the areas open for fishing.
- Concerns were expressed that staff commuting across the border could face difficulties and delays in future.

- Taxation agreements will be important so that people living on one side of the border and working on the other are not disadvantaged.
- Different implementation of VAT and taxation rules and different procurement procedures could all impact on businesses.
- There were concerns that there will be different rules and requirements applying to data protection in the UK and EU post Brexit which increases complexity for businesses.

Suggested Actions

- Having a developed infrastructure (both facilities and structures) in place to allow the border region to be ready to receive business is particularly important to ensure that the region is able to respond to opportunities which might come from Brexit.
- Support should be provided for companies which could be affected by new procurement rules in the UK post Brexit. This should be alongside help to respond to procurement opportunities in other Member States.
- Small companies will need particular help with scenario planning. Developed models and training on this should be made available to businesses.
- There is a need to consider supports to help manage currency fluctuations or provide guidance on hedging and other options for smaller businesses.
- It would be useful to investigate opportunities for import substitution post Brexit where goods and services currently imported from the UK might be supplied in Ireland.
- Businesses may need help with sourcing raw materials from other parts of the EU rather than the UK and help to develop supply chains with other regions. Training and overseas support could help.
- A focus on the education and training needs of businesses in relation to Brexit is required so that enterprises are helped to develop new markets outside the UK.
- Advice sessions on responding to Brexit are provided in border counties by Intertrade Ireland, these could be provided throughout Ireland in future.

Conclusion

- Among many of the participants, in all areas, there was a positive, 'can do' attitude. It was felt that we have faced problems and difficulties before and dealt with them. There was concern that there might be an overly negative portrayal of the implications of Brexit, and that this in turn was affecting the confidence of enterprise, communities and people and in turn affecting their decision making.
- There is a strong appetite for clear information about the possible implications for Brexit for communities, cultural organisations and businesses, addressing their specific issues.