

EXISTING EVIDENCE AND CONTINUED UNCERTAINTIES SURROUNDING A NORTHERN IRELAND BORDER POLL

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Existing evidence and continued uncertainties surrounding a Northern Ireland border poll¹

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BACKGROUND TO THE RESEARCH

The possibility of a future Northern Ireland border poll has become a feature of current public discourse in both Northern Ireland (NI) and the Republic of Ireland (RoI). The increased prominence of the border poll debate is driven by a number of factors including the result of the Brexit referendum, demographic change and shifting political landscapes on both sides of the border. There is considerable uncertainty regarding when, and how, any border poll might be triggered, making it imperative that the evidence necessary for voters to make an informed decision is established in a timely manner.

This study is among the early contributions to developing the evidence base necessary for an informed debate, outlines relevant facts from existing data and identifies areas where new evidence must be established through future research.

WHAT DO WE KNOW NOW?

We explore several datasets and sources to establish the following facts that are relevant to the border poll debate:

- NI's relative economic performance has not improved following the peace process.
- In terms of GDP per capita, NI ranked the 10th poorest of 12 UK regions in both 2000 and 2014, ahead only of the North East region and Wales.
- NI GDP per capita, which is a broad indicator of income, was approximately 50% lower than the Southern & Eastern region of the RoI in 2014 (which contained 75% of the population in 2016). Even allowing for the distortions in RoI macroeconomic data, the gap in GDP per capita is still pervasive.
- Disposable household income in RoI in 2016 was €28,117 compared to €25,315 in NI, a gap of €2,802.
- Life expectancy at birth in 2017 was 82.2 years in RoI compared to 80.6 in NI.
- Both health systems appear to be outlying poor performers among OECD countries in terms of having acute care bed occupancy rates of over 90% and relatively poor social care provision.

¹ This Bulletin summaries the findings from: McGuinness, S. & Bergin, A., "The Political Economy of a Northern Ireland Border Poll", Cambridge Journal of Economics, 2020, Vol. 44, pp. 781-812. DOI: <https://doi.org/10.1093/cje/beaa007>

NIs poor economic performance, relative to that of the RoI, is attributable to low levels of productivity that is likely to be driven by a number of key factors:

- Relative to the RoI, NI has much higher proportions of young people obtaining the lowest education qualification levels and much lower proportions obtaining the highest qualification levels.
- NI is much less export intensive than RoI; exports account for 15 percent of total business turnover in NI compared to 54 percent in the RoI.
- RoI export activity is also more concentrated in higher value-added areas.
- Foreign Direct Investment (FDI) in NI employs fewer workers and is of lower value compared to RoI.

WHAT DO WE NOT YET KNOW?

There is clearly a substantial amount of work to be done if voters in any future border poll are to be fully informed. Key questions that need to be addressed include:

- Who will bear the economic costs? Subvention, which refers to the gap between public spending and taxes in NI, was estimated at £9.2bn in 2017/18. However, the subvention figure falls by 25% when we subtract expenditures no longer likely to be incurred post-unification such as NI's contribution to UK defence spending, debt services costs and international services. Furthermore, some of the costs of NI old age pensions (which cost £3.2bn in 2016/17) could also remain a UK liability.
- How long would a transition to unification take and how would policy responsibility be transferred? A transition period would be necessary to allow operational responsibility for NI to transfer to the RoI. The length of any transition period and the success of any new policies implemented during it will also be of importance. NI's low productivity is a main driver of subvention costs so the success of policy reforms, in areas such as education and industrial policy, will influence this cost.
- What will be the role and significance of the EU and USA in potentially reintegrating a post-Brexit Northern Ireland into the EU and assisting in promoting FDI to the region?
- What would an all-Ireland approach in key areas, such as education and health, look like?
- What are the social welfare and tax implications of unification?
- How will Brexit further impact all of the relevant issues?

While there is great uncertainty with respect to the timing of any border poll, it is imperative that adequate planning and preparation is undertaken so that voters, North and South, can be fully informed if, and when, a border poll arises.

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