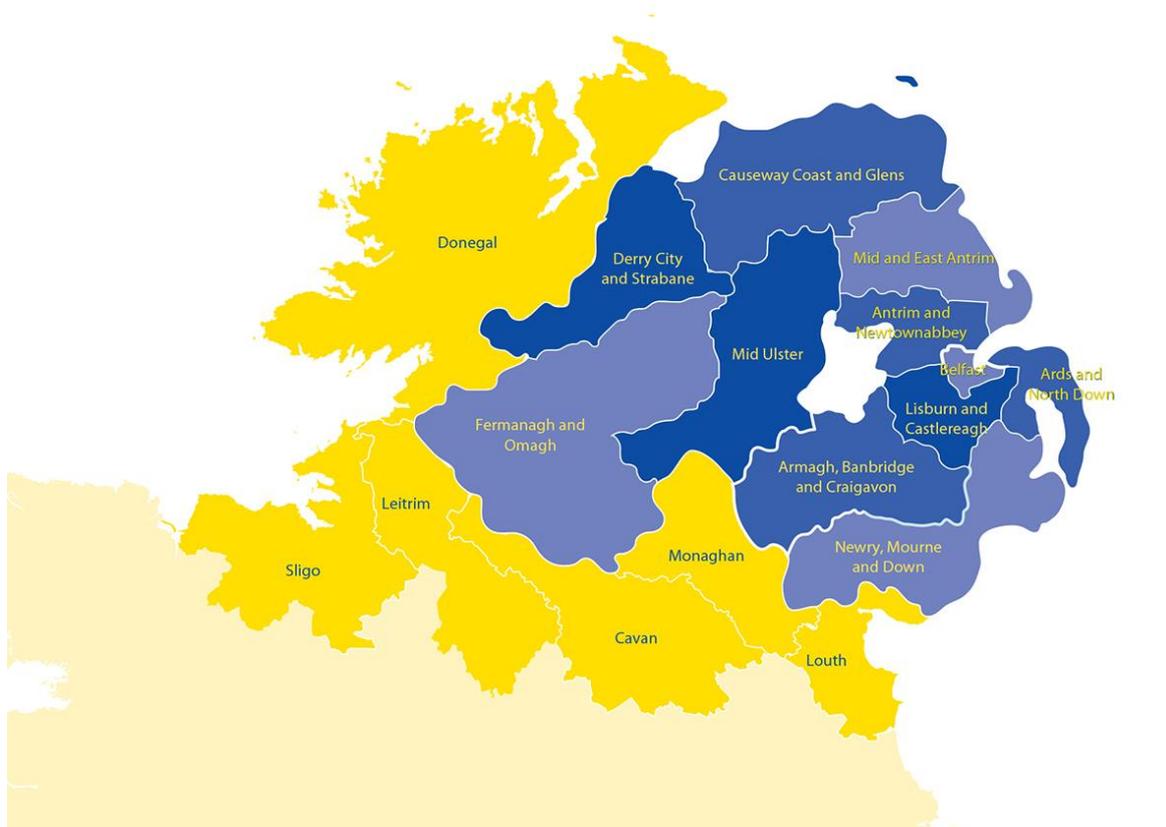


Cross Border Labour Market Movement and Skills Gaps on the Island of Ireland



A Statistical Analysis

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Foreword

The purpose of this paper is to provide up to date, tangible information on cross border activity in the Ireland – Northern Ireland region. In line with best practice, information has been gained from the reputable sources that provide such information, mainly - the Central Statistics Office (CSO) in the Republic of Ireland and the Northern Ireland Statistics and Research Agency (NISRA) in Northern Ireland.

From the information provided by CSO and NISRA we have produced a report we hope will support jobseekers, workers and employers in the jurisdiction as well as providing focus for our EURES Cross Border Partnership regarding the direction of travel for our partnership and where we can use our resources most effectively in the coming years.

In a wider context and as part of the EURES Cross Border Network, the information we are providing will be useful in a comparative context to other border regions across the European Union. This will assist Cross Border Partnerships to analyse the mobility flows and hopefully provide some solutions to the issues faced by jobseekers, workers and employers in the border regions.

The major difficulty is that there is no one complete and definitive data source that records the number and purpose of all cross border movements between Ireland and Northern Ireland (indeed all border regions face the same issues) and the exact number of people that cross the border to work or study is difficult to quantify. The sources used in this paper are mainly CSO and NISRA and the information they produce, as well as a survey we have carried out in conjunction with our partners in the Chambers of Commerce. We hope that this will create a useful template moving forward.

The information provided in the paper will be replicated in the coming years and help us provide further analysis and ultimately support to those who work, seek work or employ in the border regions of the island of Ireland.

It is estimated that thousands of people cross the border between Ireland and Northern Ireland for work. It's commonplace for individuals to switch between the two jurisdictions many times during their working lives. Employers use staff from both sides of the border to fill their vacancies and jobseekers look to the other side of the border for vacancies which may suit them. This happens not only in the border regions of Ireland but at borders across the European Union.

The Border region in Ireland has been, and remains under a tremendous focus since the UK decision to leave the EU was agreed following the referendum. As Ireland shares the only land border with the UK, how this will play out for those workers, employers and jobseekers in the border region in the future is still subject to negotiation. This obviously causes worry and apprehension for many as the 'final' agreement will have an effect on their daily lives and business.

Executive Summary

This report provides up-to-date and tangible information on cross-border activity in the Northern Ireland-Ireland border region intended to assist the EURES Ireland/Northern Ireland Cross Border Partnership in supporting jobseekers, workers and employers in the region, and to facilitate the Partnership in identifying the areas where it can employ its resources most effectively. It brings together relevant data produced by statistical agencies in both jurisdictions on the island of Ireland, and includes the results of a survey of employers undertaken by the EURES Cross Border Partnership.

Among the insights and reflections contained in this report, the following should be noted:

- An estimated 20% of the population of the island of Ireland is resident in the Northern Ireland-Ireland border region, with a higher percentage of the population aged 0-16 than the overall percentage within the two jurisdictions, but also with lower numbers of the population with third level qualifications.
- According to estimates from Northern Ireland's Department for the Economy, there are 25,000 trips across the border every day for work or study.
- Almost 20% of registered businesses on the island of Ireland are located in the Northern Ireland-Ireland border region, with smaller businesses employing fewer than ten people predominating, but with a significant presence of larger employers.
- In 2019 70.8% of all businesses in the agriculture, forestry and fishing sector in Northern Ireland were located within the five NUTS 3 (The Nomenclature of territorial units for statistics, abbreviated NUTS is a geographical nomenclature subdividing the economic territory of the European Union (EU) into regions at three different levels (NUTS 1, 2 and 3 respectively, moving from larger to smaller territorial units).¹ areas adjoining the border, which also contained 58.6% of all construction businesses, 57.6% of all transport and storage businesses, 54.8% of all production businesses, and 48.9% of all retail businesses. In contrast, the same areas only contained 27.4% of all information and communication businesses, and 36.4% of all professional, scientific and technical businesses.
- In overall terms in relation to the numbers of businesses, construction, manufacturing and, to a lesser extent, transport and storage, are sectors with greater comparative importance to the Northern Ireland-Ireland border region than to the island of Ireland overall.
- In terms of employment, the services sector employs the largest numbers of people in the Northern Ireland-Ireland border region, as is the case for the island of Ireland as a whole. However, a higher percentage of people were employed in manufacturing and construction in the border region than elsewhere.
- Over half (56%) of businesses that responded to the EURES Cross Border Partnership survey indicated that they had cross-border workers.
- Among those surveyed, the most significant obstacles to recruitment in general were difficulties in attracting candidates with the necessary skills and qualifications.

¹ European Commission, [Glossary: Nomenclature of territorial units for statistics](#)

- The EURES survey also revealed concerns regarding the future recruitment of cross-border workers due to the UK's departure from the European Union, although these were most strongly felt by businesses on the Northern Ireland side of the border.
- The cross-border route between Derry & Strabane and Co. Donegal continues to be the most intensive for the mobility of labour, with the flow being stronger in numerical terms from Donegal to Derry & Strabane.
- All of the LGDs/NUTS 3 (The LGDs are unitary administrations responsible for all areas of local government)² areas in Northern Ireland within the border region remain the most important sites in terms of cross-border labour mobility from Northern Ireland to the Republic of Ireland (North to South).
- Donegal, Monaghan, Louth and Cavan, four of the six Irish counties within the Northern Ireland-Ireland border region continue to be important points of origin for cross-border labour mobility into Northern Ireland (South to North), with significant numbers of workers undertaking this type of mobility.
- Although surpassed by Dublin City in terms of the numbers of residents working in Northern Ireland, Co. Leitrim maintains some relative importance as a point of origin for cross-border labour mobility.
- Co. Sligo is not significant as a point of origin for cross-border labour mobility into Northern Ireland.
- All of the five LGDs/NUTS 3 areas in Northern Ireland within the border region are important destinations for cross-border labour mobility from the Republic of Ireland (South to North).
- Donegal, Monaghan and Louth appear to be the most important destinations for cross-border labour mobility from Northern Ireland (North to South), with Cavan retaining relative importance, although Dublin, outside the Northern Ireland-Ireland border region, also holds relative importance as a destination for workers from Northern Ireland. However, in the absence of more accurate and recent data, we cannot be definitive about the destinations of Northern Ireland residents travelling to work in the Republic of Ireland.
- Sligo and Leitrim appear to be of minor significance as destinations for cross-border labour mobility from Northern Ireland (North to South), with other counties outside the Northern Ireland-Ireland border region holding greater relative importance, especially along the Belfast-Dublin corridor.

All of these issues, along with others, are set out and explored in detail in the body of the report.

² Office of National Statistics, [Detailed information on the administrative structure within Northern Ireland.](#)

1. Introduction

The overarching purpose of this report is to provide up-to-date and tangible information on cross-border activity in the Northern Ireland-Ireland region that will assist the EURES Ireland/Northern Ireland Cross-Border Partnership in supporting jobseekers, workers and employers in the region, and to facilitate the Partnership in identifying the areas where it can employ its resources most effectively.³ However, by bringing together relevant data produced on a regular basis by statistical agencies in either jurisdiction on the island of Ireland, it is intended that core elements of this report and the analysis it provides can be updated yearly and be of interest to all those with an interest in cross-border mobility.

This is not to say that analyses of the data from a cross-border or all-island perspective have not taken place before. Indeed, using the information provided by the censuses carried out in the respective jurisdictions in 2011, Ireland's Central Statistics Office (CSO) and the Northern Ireland Statistics and Research Agency (NISRA) jointly produced a report in 2014 that "for the first time [...] draws together results from both censuses and explores both similarities and differences in the two populations as well as looking at how these populations have changed over time".⁴

A more recent report produced by Northern Ireland's Department for the Economy has an intentional cross-border approach to its gathering and analysis of data, which not only includes information on cross-border commuters, but goes much further to look at subjects such as border communities and cross-border cooperation.⁵ In this case, however, the publication of what is a very valuable report was prompted by a "unique" circumstance: the United Kingdom's decision to leave the European Union. This means that there is no guarantee that this exercise of gathering and analysing data from a cross-border perspective will become a regular function of Northern Ireland's Department for the Economy, although the report refers to how "further work continues around developing population estimates of cross border movements" (p.4).

As well as its regular and ongoing provision of relevant information to its clients and stakeholders, the EURES Ireland/Northern Ireland Cross-Border Partnership had also commissioned a report in 2010 to address the need for a more accurate assessment of the nature of cross-border mobility.⁶ However, that report's primary purpose was "to provide statistics on the number of people within the North West region who commute across the Northern Ireland/ Republic of Ireland border to work" (p.5), and therefore was limited in its geographical scope.

The present report aims to address cross-border mobility within a wider geographical space that includes all of Northern Ireland and the border counties of Ireland, although even in terms of the latter placing some of the relevant data within the wider Irish context.

⁴ CSO and NISRA, ["Census 2011: Ireland and Northern Ireland"](#) (June 2014), p.5.

⁵ Department for the Economy, ["Background Evidence on the Movement of People across the Northern Ireland-Ireland Border"](#) (March 2018).

⁶ Joe Shiels and Annmarie O'Kane, Centre for Cross Border Studies, ["Measuring Mobility in a Changing Island: A report commissioned by the EURES Cross Border Partnership"](#) (May 2010).

However, it is important to highlight from the outset that in relation to Northern Ireland, this report's main concern is with the five local government districts adjoining the Northern Ireland-Ireland border, namely: Armagh City, Banbridge & Craigavon Borough Council; Derry City & Strabane District Council; Fermanagh & Omagh District Council; Mid Ulster District Council; and Newry, Mourne and Down District Council.

Map 1: Northern Ireland Councils⁷



It should also be borne in mind that two Irish administrative NUTS III areas adjoin the Northern Ireland-Ireland border: the Border, and the Mid-East. However, of the four counties that constitute the Mid-East region only one – Louth – abuts the border, with the others being Kildare, Meath and Wicklow. The NUTS III regions are in turn part of three Regional Assemblies, which are equivalent to NUTS II areas: Northern & Western, Southern, and Eastern & Midland.⁸

⁷ Department for Communities, [Map of Northern Ireland Councils](#).

⁸ See CSO, [Information Note for Data Users: revision to the Irish NUTS 2 and NUTS 3 Regions](#).

Map 2: Regional Assemblies (NUTS II) in Ireland⁹



What follows in this report then, is an overview of the context in which cross-border mobility takes place on the island of Ireland, beginning with key population statistics for the Northern Ireland-Ireland border region and how these fit within their respective jurisdictional landscapes, as well as within the wider canvas provided by the European Union. We then offer a picture of economic activity within the region, before addressing the status of mobility across the border and highlighting some of the key findings from a survey of businesses undertaken by the EURES Cross-Border Partnership. But before doing so, it is important to address a major (and ongoing) challenge to a statistical analysis from a cross-border perspective.

1.1. Counting cross-border workers: the statistical challenge

A degree of caution is necessary when speaking about cross-border mobility, and the numbers of those who regularly cross the Northern Ireland-Ireland border to work. The 2010 report, “Measuring Mobility in a Changing Island” commissioned by the EURES Ireland/Northern Ireland Cross-Border Partnership alerted readers to the fact that “There are no centralised or categorised statistics recorded on the extent of cross-border mobility at all-island or regional level” (p.5). More recently, Northern Ireland’s Department for the Economy’s March 2018 report noted: “There is no one complete and definitive data source that records the number and purpose of all cross border movements between Northern Ireland, Great Britain and ROI [the Republic of Ireland]” (p.4).

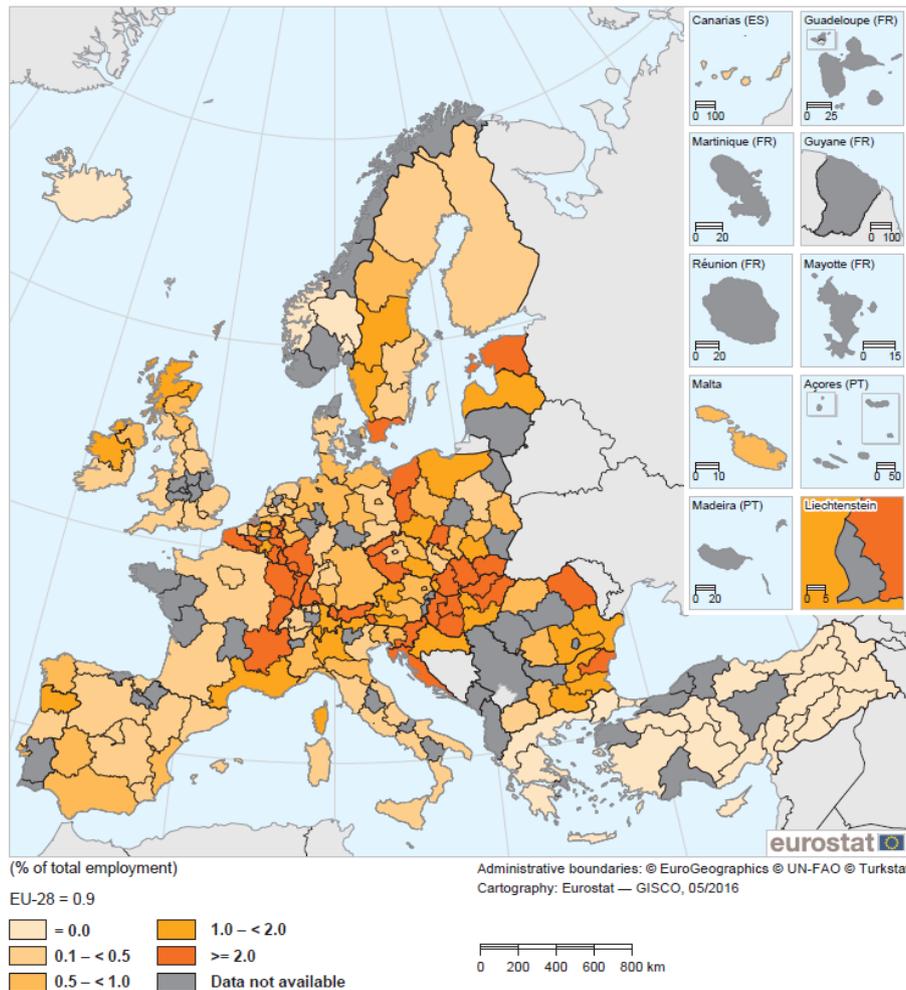
This issue is not particular to the Northern Ireland-Ireland border. In looking at the provision of information services for cross-border workers at a European level, the Association of European Border Regions (AEBR) states: “There is a lack of reliable data. Therefore, it is difficult to say how many workers cross a European border several times per week in order to get from their homes to their workplaces”.¹⁰ Nevertheless, two recent reports – one for

⁹ Institute of Public Administration, [“Local and Regional Bodies in Ireland 2012-2016”](#) (December 2016), p.7.

¹⁰ AEBR, [“Information services for cross-border workers in European border regions”](#) (October 2012), p.1.

the European Commission and the other for the European Parliament – put the figure of cross-border workers in the EU in 2016 as comprising “around” 1.4 million,¹¹ and these are simply examples of a range of analyses at EU-level of statistics related to cross-border mobility.

Map 3: Share of total employment commuting across national borders by NUTS 2 regions (2015) % of total employment



The 2016 edition of Eurostat’s regional yearbook, for example, included a specific focus on commuting patterns, which in turn contained some useful insights into cross-border

¹¹ European Commission, [“2017 annual report on intra-EU labour mobility”](#) (January 2018): “In 2016, the total number of EU-28 cross-border workers working in another EU-28 country was around 1.4 million” (p.85); European Parliament, [“Employment barriers in border regions”](#) (January 2019): “In 2016, there was a total of around 1.4 million EU-28 cross-border workers working in another EU-28 country” (p.10). See also European Commission, [“2018 annual report on intra-EU labour mobility”](#) (December 2018). Given that the EU definition of a cross-border worker is based on the frequency of their commuting from their country of residence to their country of work, it is important to note how the “2018 annual report on intra-EU labour mobility points out the following: “The frequency of commuting cannot be identified in the EU-LFS [EU-Labour Force Survey], which is the data source for the estimation of numbers of cross-border workers” (fn8, p.10).

commuting. Thus, among other information it presented statistics on the share of total employment commuting across borders by NUTS 2 regions (Map 3 above). However – and although the present report will refer to such statistics – this does not properly allow us to see the picture of cross-border mobility at the geographical level we are primarily concerned with here, which focuses on the areas more immediately adjoining the Northern Ireland-Ireland border.

But again we return to the reason why categorical statements regarding the numbers of citizens involved in cross-border mobility in this geographical space must be avoided. The Northern Ireland Department for the Economy's March 2018 report underlines why this is the case, referring to the existence of different estimates as to how many people commute across the Northern Ireland-Ireland border, and putting forward an estimate of its own:

“The exact number of people that cross the border to work or study is difficult to quantify. The Centre for Cross Border Studies has used a variety of studies to provide an estimate that there are between 23,000 and 29,000 people who commute across the border. Based on the available information, an estimate of 25,000 trips (including daily and less regular commuters) across the border every day for work or study appears reasonable” (p.6).

Further on in its report, the Department for the Economy notes how the Centre for Cross Border Studies' “figures are higher than the statistics reported in the 2011 Censuses for NI and ROI [which] report that a total of 14,800 persons regularly commuted between Northern Ireland and ROI to their main place of work or study” (p.18). It goes on to offer possible reasons as to the different estimates:

“However due to how the question in the Census is asked, these figures will exclude self-employed people e.g. freight drivers, builders who work on both sides of the border or do not have a fixed place of work for example. They will also exclude people who work/study mainly from home but are occasional cross-border travellers (such as those working in sales or construction). Therefore, the difference in the estimates produced in the Censuses and the estimate from the Centre for Cross Border Study research can be explained by the different methodologies and questions asked” (p.18).

Beyond the numbers of those involved in cross-border mobility on the island of Ireland, there are also difficulties in making direct statistical comparisons between Ireland and Northern Ireland. This is often due to differences in how and when data is collected on the two sides of the border, which although usually minor in nature nevertheless mean a degree of caution is always necessary. Despite these difficulties, we can reach a good degree of understanding of the nature of cross-border mobility across the Northern Ireland-Ireland border, and how the populations living in the cross-border region fare in comparison to the wider population in either jurisdiction.

2. The context for cross-border mobility

The following section will briefly set out the context in which cross-border mobility takes place, highlighting the drivers encouraging such mobility, and the obstacles that may hinder it. It will begin by highlighting the framework for mobility across borders provided by the European Union, which is one that is currently shared by both Ireland and the United Kingdom, and that offers a number of safeguards to those enacting their right to freedom of movement across the Northern Ireland-Ireland border. From that EU landscape we will also draw on some of the most common obstacles to cross-border mobility, and note some of the instruments employed to address them. Having noted the principal contours of cross-border mobility within the wider EU context, we will then consider the extent to which these are replicated in the Northern Ireland-Ireland context, and note any specific drivers to this mobility on the island of Ireland.

2.1. The EU context for cross-border mobility

The right of free movement of its citizens across internal borders is one that is enshrined in the core treaties of the European Union. While the free movement of workers is guaranteed to EU citizens in Article 45 of the Treaty on the Functioning of the European Union (TFEU),¹² Article 21 of the Maastricht Treaty would expand the principle of the right to move and reside freely within the EU to all its citizens and their family members.¹³ Allied and in some senses underpinning these overarching rights of free movement is the principle of non-discrimination based on nationality set out in Article 18 of the TFEU,¹⁴ as well as Article 21(2) of the Charter of Fundamental Rights of the European Union.¹⁵ Having exercised their right to move within the EU, its citizens are therefore protected from being treated in a discriminatory manner by any host Member State based on nationality.

To ensure the practical effect across its Member States of the rights enshrined in the EU Treaties, various items of secondary legislation have sought to consolidate the free movement of persons as a cornerstone of the Union's Internal Market.

Thus, for example, Regulation 883/2004 set out rules on the coordination of social security systems between Member States in order to – among other things – ensure that movement for the purposes of employment does not affect the payment of social security due to

¹² Article 45(1) of the [Treaty on the Functioning of the European Union](#) states “Freedom of movement for workers shall be guaranteed within the Union”, while Article 45(2) declares: “Such freedom of movement shall entail the abolition of any discrimination based on nationality between workers of the Member States as regards employment, remuneration and other conditions of work and employment”.

¹³ The Maastricht Treaty meant the TFEU would now reflect the wider right of freedom of movement in Article 21(1), which states: “Every citizen of the Union shall have the right to move and reside freely within the territory of the Member States, subject to the limitations and conditions laid down in the Treaties and by the measures adopted to give them effect”.

¹⁴ Article 18 of the TFEU declares: “Within the scope of application of the Treaties, and without prejudice to any special provisions contained therein, any discrimination on grounds of nationality shall be prohibited”.

¹⁵ Article 21(2) of the [Charter of Fundamental Rights of the European Union](#) states: “Any discrimination based on any ground such as sex, race, colour, ethnic or social origin, genetic features, language, religion or belief, political or any other opinion, membership of a national minority, property, birth, disability, age or sexual orientation shall be prohibited”.

citizens as they move between Member States.¹⁶ Directive 2004/38/EC, meanwhile, underlined that the right of free movement of EU citizens “be also granted to their family members, irrespective of nationality”.¹⁷ Alongside such regulations on free movement, the EU has also developed a range of measures to create an environment conducive to citizen mobility. These include the European Health Insurance Card,¹⁸ the directive safeguarding patients’ rights in cross-border healthcare,¹⁹ and the recognition of professional qualifications.²⁰

In terms of the mobility of cross-border workers specifically (rather than other forms of mobility, including long-term worker mobility or posted workers), the 1.4 million EU citizens engaged in such mobility in 2017 represent 0.7% of the total labour force of the EU’s 28 Member States, and according to the “2018 annual report on intra-EU mobility” the number of cross-border workers has increased by 4% on 2016 (p.77).

The 2019 report on “Employment barriers in border regions” undertaken for the European Parliament sets out the principal factors influencing the scale of cross-border mobility across the EU as stemming from socio-economic differentials, and labour market conditions:

“Cross-border commuting therefore appears to follow an **asymmetrical pattern** given that the greater the difference in average earnings or in the availability of jobs between two regions, the more likely it is that the region with better labour market conditions will draw in more cross-border commuters. Ultimately an attractive labour market on the other side of the border has a stronger “pull-effect” than “push-factors” experienced in a country of residence such as low employment rates or recession; in sum **it is the prospect of something better that makes people choose to work across the border** rather than poor conditions in their own country that “push” them away” (p.14; emphasis in the original).

The European Parliament’s report also draws on work undertaken by the French Commissariat Général à l’Egalité des Territoires (CGET), which developed a typology of border regions as a way to assess how likely cross-border movement is across various borders. This allowed for a mapping of the conditions for cross-border commuting across the EU, where the Northern Ireland-border region is seen as having a favourable economic profile for such mobility.

¹⁶ [REGULATION \(EC\) No 883/2004 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 29 April 2004 on the coordination of social security systems.](#)

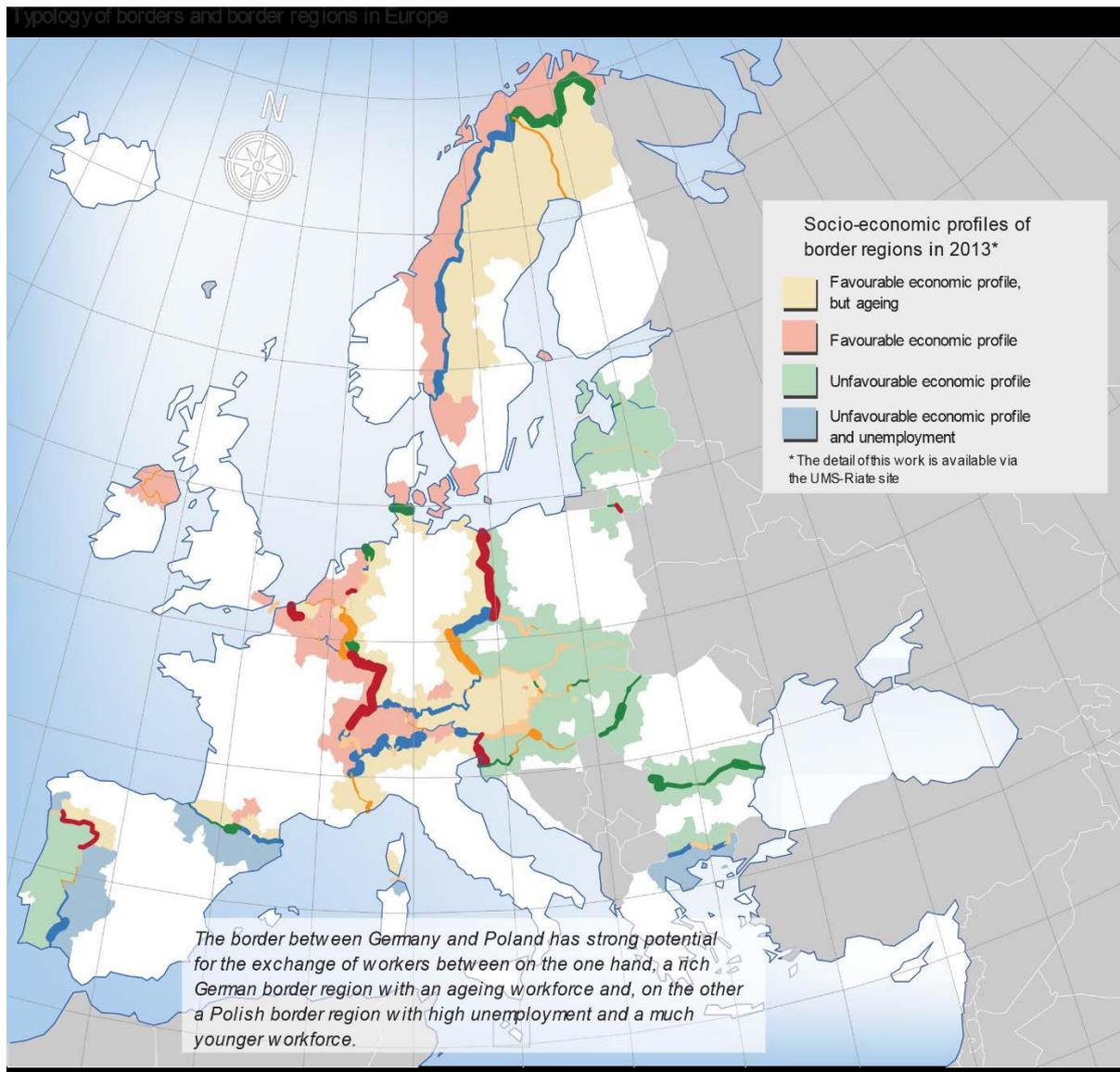
¹⁷ [DIRECTIVE 2004/38/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 29 April 2004 on the right of citizens of the Union and their family members to move and reside freely within the territory of the Member States amending Regulation \(EEC\) No 1612/68 and repealing Directives 64/221/EEC, 68/360/EEC, 72/194/EEC, 73/148/EEC, 75/34/EEC, 75/35/EEC, 90/364/EEC, 90/365/EEC and 93/96/EEC.](#)

¹⁸ For more detail on a the European Health Insurance Card, see <https://ec.europa.eu/social/main.jsp?langId=en&catId=559&>.

¹⁹ [DIRECTIVE 2011/24/EU OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 9 March 2011 on the application of patients’ rights in cross-border healthcare.](#)

²⁰ [DIRECTIVE 2005/36/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 7 September 2005 on the recognition of professional qualifications.](#)

Map 3 Typology of borders and border regions in Europe²¹



However, cross-border mobility can be hampered by a range of obstacles with varying incidence across the EU. In 2012 the Association of European Border Regions (AEBR) highlighted the following as issues relating to cross-border labour mobility:²²

- Differences in social security and tax systems
- Diverging application of EU regulations by agencies across Member States
- Lack of relevant statistical data
- Insufficient command of the language of the neighbouring country
- Prejudices and insecurities about the working conditions in a neighbouring country, and fear of discrimination

²¹ [“Employment barriers in border regions”](#), p.13. The map included in the study for the European Parliament is a simplified version, and translated from French by its authors, of a map included in the Observatoire des Territoires’ 2017 report [“Regards sur les Territoires”](#). See also RiATE’s [“Typologie Socio-Économique des Régions Frontalières de l’Union Européenne \(2000-2012\)”](#) (February 2016).

²² [“Information services for cross-border workers in European border regions”](#), pp.15-17.

- Mutual recognition of qualifications
- Lack of sufficient information and transparency on the principles governing the labour market

More recently, a large-scale study by the European Commission looked at the legal and administrative obstacles at 37 out of 40 of the EU's internal land borders. It compiled 239 cases of legal and administrative obstacles, representing an inventory that is "an empirical, partial and time-dependent 'snapshot' of a specific situation prevailing in the period 2011-2015".²³ In this study the policy areas relating to cross-border mobility most affected by legal and administrative obstacles were:

- Labour Market & Education: "Mobility of cross-border workers", "Mobility of trainees, students and teachers" and "Recognition of diploma or professional qualification certificates".
- Social Security & Health: "Access to social insurance system" and "Access to health care services and medical treatment".
- Transport & Mobility: "Public transport by bus, rail, light rail or metro" and "Scope and quality of regional/local and cross-border transport infrastructures and of related maintenance services".
- Industry & Trade: "Exporting of goods and cross-border provision of commercial services, including e-commerce".
- Policy Planning & Public Services: "Emergency and rescue services".
- Environment: "Protection and management of natural resources".²⁴

The origins of a majority of the obstacles identified lie within Member States themselves, where national or regional legislation hinders cross-border mobility, with other obstacles arising from an unwillingness at administrative level to address problems in a cross-border context. Therefore, the European Commission study concludes that "a removal or alleviation of the majority of registered border obstacles primarily requires action within and between Member States" (p.34).

Nevertheless, as well as providing legislative measures to overcome many of these obstacles, the European Union has developed a number of supportive instruments, including the proposed European Cross-Border Mechanism.²⁵ The European Commission's formal proposal for regulation to introduce such a mechanism, which would be employed by interested Member States on a voluntary basis, sets out how it would help in addressing cross-border obstacles, by making available:

"a mechanism to apply, for a common cross-border region, in a given Member State, the legal provisions from the neighbouring Member State if applying its own laws

²³ European Commission, "[Easing legal and administrative obstacles in EU border regions: Final Report](#)", p.5.

²⁴ "[Easing legal and administrative obstacles in EU border regions: Final Report](#)", p.19

²⁵ For an overview of this see the European Commission's "[European Cross-Border Mechanism: a practical explanation](#)".

would present a legal obstacle to implementing a joint project (which might be an item of infrastructure or any service of general economic interest)".²⁶

Of course, among many other supports provided by the European Union to address legal and administrative obstacles in border regions, and in particular those affecting labour mobility, is the EURES Network. The study for the European Parliament on employment barriers in border regions identifies, for example, how "Cross-border partnerships are also a key aspect of EURES wherein networks are established to help workers overcome barriers to working across borders".²⁷ This is one of the core reasons why the EURES Ireland/Northern Ireland Cross-Border Partnership was created, and why it has commissioned the present study.

2.2. The context for cross-border mobility on the island of Ireland

Currently underpinning much of the context for cross-border mobility on the island of Ireland are the frameworks, legislation, funding programmes and relevant instruments derived from Ireland and the UK's common membership of the European Union. However, the overriding need to resolve the conflict in Northern Ireland led to a solution – the 1998 Belfast/Good Friday Agreement – which provided a unique impetus to cooperation and mobility between the two jurisdictions on the island of Ireland as part of what is an ongoing peace and reconciliation process.

Strand 2 of the 1998 Agreement established the North South Ministerial Council "to bring together those with executive responsibilities in Northern Ireland and the Irish Government, to develop consultation, co-operation and action within the island of Ireland – including through implementation on an all-island and cross-border basis – on matters of mutual interest within the competence of the Administrations, North and South".²⁸ It also led to the establishment of six implementation bodies, including InterTradeIreland, which supports the development of cross-border trade, and the Special EU Programmes Body, which is the managing authority for the INTERREG and PEACE programmes.

As well as setting the overall policy direction for the implementation bodies, the North South Ministerial Council (NSMC) is the forum for the two administrations on the island of Ireland to agree common policies and approaches in six areas of cooperation, which are implemented separately in each jurisdiction. While all of those areas can be said to impact on the context for cross-border mobility, three of them could be considered as having a more direct influence: education, health and transport.²⁹ So, for example, in these areas the NSMC has driven work on the recognition of qualifications, encouraged cooperation on cancer research, and approached transport policy within an all-island dimension.

However, while the Northern Ireland-Ireland border region may have a number of obstacles to cross-border mobility in common with other border regions in the EU, it also has others

²⁶ [Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on a mechanism to resolve legal and administrative obstacles in a cross-border context.](#)

²⁷ "Employment barriers in border regions", pp.26-27.

²⁸ <https://www.gov.uk/government/publications/the-belfast-agreement>.

²⁹ The other three areas of cooperation are agriculture, environment and tourism.

that are specifically related to the legacy of the conflict. This was reflected in the Cooperation Programme for PEACE IV – a European Territorial Cooperation programme that is in itself unique to the island of Ireland – which set out the background to the region in which projects to be supported by this EU funding stream would be operating in the 2014-2020 programming period:

“The history of the region and the relationship between the two parts of the island has resulted in the border becoming a barrier to economic and social development. [...] The effects of the troubles/conflict on the Border Region of Ireland have been pronounced; the border towns in particular saw widespread division and disturbance which has continued to leave their mark”.³⁰

³⁰ SEUPB, [PEACE IV Cooperation Programme](#), p.7.

3. The EURES Network

EURES is a cooperation network designed to facilitate the free movement of workers within the EU 28 countries plus Switzerland, Iceland, Liechtenstein and Norway to look for and take up a job.

The network is composed of: the European Coordination Office (ECO), the National Coordination Offices (NCOs), EURES Partners and the Associated EURES Partners.

Partners in the network may include Public Employment Services (PES), Private employment services (PRES), trade unions, employers' organisations and other relevant actors in the labour market. The partners provide information, placement and recruitment services to employers and jobseekers whereas the European and National Coordination Offices oversee the organisation of the activities at European and national level respectively.

Moreover, EURES has an important role to play in providing specific information and facilitate placements for the benefit of employers and frontier workers in European cross-border regions.

In practice EURES provides its services through the EURES portal and through a vast human network of more than 1000 EURES advisers that are in daily contact with jobseekers and employers across Europe.

EURES services includes:

- Matching of job vacancies and CVs on the EURES portal
- Information and guidance and other support services for workers and employers
- Access to information on living and working conditions in the EU member states, such as taxation, pensions, health insurance and social security
- Specific support services for frontier workers and employers in cross-border regions
- Support to specific groups in the context of EURES targeted job mobility schemes, such as Your first EURES job (YfEj) and Reactivate
- Information on and access to post-recruitment assistance, such as language training and support with integration in the destination country

The EURES Cross Border Partnership Ireland – Northern Ireland makes the most of the advantages of a Europe-wide network offering effective services, specifically aimed at border and cross border regions and actively contribute towards a European policy that takes account of and addresses public interests and concerns.

For 25 years, EURES has helped European citizens find job opportunities across 32 European countries!

4. The EURES Ireland-Northern Ireland Cross-Border Partnership

The EURES Cross Border Partnership Ireland – N Ireland is an alliance consisting of representatives from the Employment Services Northern Ireland (DfC) the Employment Services from the Republic of Ireland (Department of Employment Affairs and Social Protection, DEASP), Trade Unions from both sides of the Border (Belfast Unemployed Resource Centre NI and UNITE the Union, Republic of Ireland), Chambers of Commerce (The Londonderry Chamber from NI and Dundalk Chamber from Republic of Ireland), The Confederation of British Industry (CBI in NI) and Irish Business and Employers' Confederation (IBEC in the Republic of Ireland).

The main objective of the EURES Cross Border Partnership Ireland – Northern Ireland is to offer employment services to existing and potential workers and employers in the cross border region, through promoting the benefits of cross border labour mobility and improving awareness of job opportunities (and career development) and by encouraging employers to see the potential of having access to a larger cross border labour market. The partnership has a mission statement which states;

'Our aim is to support frontier and cross border workers, jobseekers and employers in the Ireland/Northern Ireland Border region. We do this by raising and improving awareness of cross border living and working conditions, the cross border labour market and the benefits of mobility. We help employers, workers, jobseekers and job changers in this Border region to capitalise on the opportunities offered through their access to a cross border labour market in the border region of the Island of Ireland and the free recruitment and support service that the EURES Cross Border Partnership and the wider EURES European network can provide.'

The EURES Cross Border Partnership in Ireland – Northern Ireland has been in existence for over 20 years and is seen as a key contributor to the lives of the cross border worker, jobseeker and employer. It aims to address imbalances for our target groups through supporting employers in finding the skills sets required which can contribute towards the stability of the employment environment and through supporting jobseekers in cross border movement.

The Partnership provides clear factual information and advice on working and living conditions to those citizens in both jurisdictions in the cross border region and the information produced is highly regarded by end users and organisations alike.

The Partnership covers all of Northern Ireland and the border counties of Ireland (Louth, Cavan, Monaghan, Donegal, Sligo and Leitrim). The main target groups for the EURES Cross Border Partnership Ireland – N Ireland include:

- Frontier workers in the region
- Employers in the region experiencing skills shortages
- Jobseekers in the border counties

- SME's in the region
- Unemployed Young People aged 18-25 who are living in the Border region
- People who are long-term unemployed who are living in the Border region
- EU Migrants living or working in the Border region with language deficits
- Public Employment Service officers in the Region
- Women returners
- Community Groups.
- University Students and Graduates.

The work of the EURES Cross Border Partnership continues to be valued by our end users and the services we provide are held in high regard. We hope this will continue for many years to come.

5. Information sources

All sources of information used in this report have been identified and links provided to those sources. This report privileged the examination of data provided primarily by the official statistics agencies in the two jurisdictions on the island of Ireland: the Central Statistics Office (CSO) and the Northern Ireland Statistics and Research Agency (NISRA). However, in respect of Northern Ireland, some data was sourced from the UK's Office for National Statistics (ONS), and where broader comparative data was required, the report drew on the European Union's statistical office, Eurostat. These sources were given primacy as they are providers of sets of data produced on a regular basis, which allows for much of the information set out in this report to be updated in the future.

Where the report examines cross-border mobility, it also draws on additional material produced by Northern Ireland's Department for the Economy, and in its analysis of data related to the labour market, information was also gathered from data produced by Northern Ireland's Department for Communities. However, in order to supplement information provided by central statistical agencies and government departments in relation to job vacancies, the report also used information produced by recruitment agencies, Jobcentreonline.com, JobsIreland.ie and IrishJobs.ie.

6. The statistics

Before presenting key statistics for the Northern Ireland-Ireland border region, it is important to be aware of the general statistical profile of the two jurisdictions on the island of Ireland.

6.1. Key statistics for Northern Ireland and the Republic of Ireland

In 2018 the total population of Northern Ireland numbered 1,881,600,³¹ with the Republic of Ireland's population standing at 4,857,000,³² giving the island of Ireland a population of 6,738,600. This means a year-on-year population increase of 0.6% in Northern Ireland, and of 1.3% in the Republic of Ireland. The main driver for Northern Ireland's population increase was natural change (up by 6,700), with net migration accounting for an increase of 4,100. The reverse is true for the Republic of Ireland, where net migration contributed 34,000 to the population increase, with natural change contributing 30,500. Of the Northern Ireland population in 2018, just over half (50.8%) were female,³³ with females also making up 50.5% of the Republic of Ireland's population.³⁴ Those populations were spread across their respective jurisdictions so that in 2016 the average population density in the Republic of Ireland was 70 persons per km²,³⁵ and 137.3 per km² in Northern Ireland.³⁶

The age profiles of the two populations in 2018 show that those aged 65 years or more make up a greater percentage of Northern Ireland's population (16.4%) than the same cohort within the population of the Republic of Ireland (13.9%), as can be seen in Chart 1 below.

³¹ NISRA, "[NISRA Statistical Bulletin: 2018 Mid-year Population Estimates for Northern Ireland](#)" (26 June 2019).

³² CSO, "[Population and Migration Estimates April 2018](#)" (28 August 2018). The more recent "[Population and Migration Estimates April 2019](#)" places the total population of the Republic of Ireland at 4,921,500

³³ "[NISRA Statistical Bulletin: 2018 Mid-year Population Estimates for Northern Ireland](#)", p.2.

³⁴ CSO, "[Population Estimates \(Persons in April\) by Age Group, Sex and Year](#)".

³⁵ CSO, "[Regional SDGs Ireland 2017 – Population density by region, 2016](#)".

³⁶ NISRA, "[Various geographies – population densities \(1981-2016\)](#)".

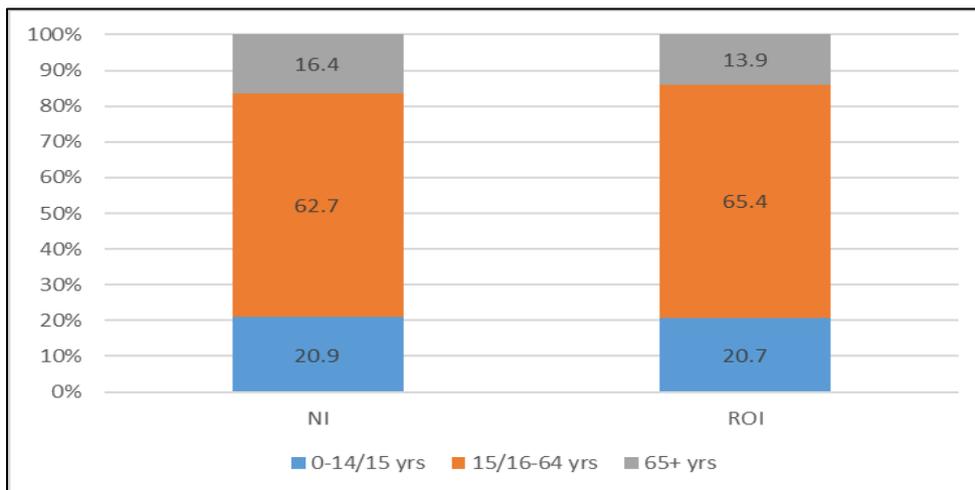


Chart 1: Age profiles of the populations of Northern Ireland and the Republic of Ireland, %³⁷

NISRA’s analysis of its statistics leads to the conclusion that “The proportion of the [Northern Ireland] population aged 65 and over has experienced the largest increase over the 25 year period [1993-2018], with a distinct accelerated growth in this population occurring from mid-2007”. However, while those aged 65 and over in 2018 make up a larger percentage of the population in Northern Ireland than in the Republic of Ireland, in light of the results of the 2016 Census the CSO notes, “While the number of people aged 15-64 increased by 44,477 since 2011, the number of those aged 65 and over rose by 102,174 – more than twice that amount”.³⁸ Nevertheless, the percentage of those aged 65 and over in both jurisdictions is significantly below the overall percentage for the EU-28, which stood at 19.7% in 2018.³⁹

In relation to those aged 16 to 64 in Northern Ireland in 2018, 14.7% of this cohort had no formal educational or training qualifications, as shown in Chart 2. However, since this statistic is based on all those considered to be part of the labour force, a more accurate figure of what could be interpreted as educational underachievement in Northern Ireland is the 9.4% of the population classed as early leavers from education and training, which is higher than the equivalent figure of 5% for the Republic of Ireland.⁴⁰ This disparity appears even more pronounced according to NISRA estimates based on the Labour Force Survey, and from which it is possible to focus on the 25 to 64 age-group, which shows 12.3% of this cohort as having no qualifications in 2018.⁴¹ The largest percentage of the 16-64 age group

³⁷ [“NISRA Statistical Bulletin: 2018 Mid-year Population Estimates for Northern Ireland”](#), p.5; CSO, [“Population Estimates \(Persons in April\) by Age Group, Sex and Year”](#). It is important to note that while both NISRA and the CSO employ the 65+ age category, there are minor differences in others, with NISRA using 0-15 and 16-64 years for the other age bands, and CSO using 0-14 and 15-64 years.

³⁸ CSO, [“Census of Population 2016 – Profile 3 An Age Profile of Ireland: Average Age and Dependency”](#).

³⁹ Eurostat, [“Proportion of population aged 65 and over”](#).

⁴⁰ Eurostat, [“Early leavers from education and training by sex and NUTS 1 regions”](#). The equivalent statistic for the EU-28 is 10.6%, while it is 10.7% for the whole of the UK.

⁴¹ NISRA, [“LFSAR4 Qualifications 2018”](#).

in Northern Ireland (50.4%) achieved a qualification below degree level, with 34.9% attaining an undergraduate degree or higher.

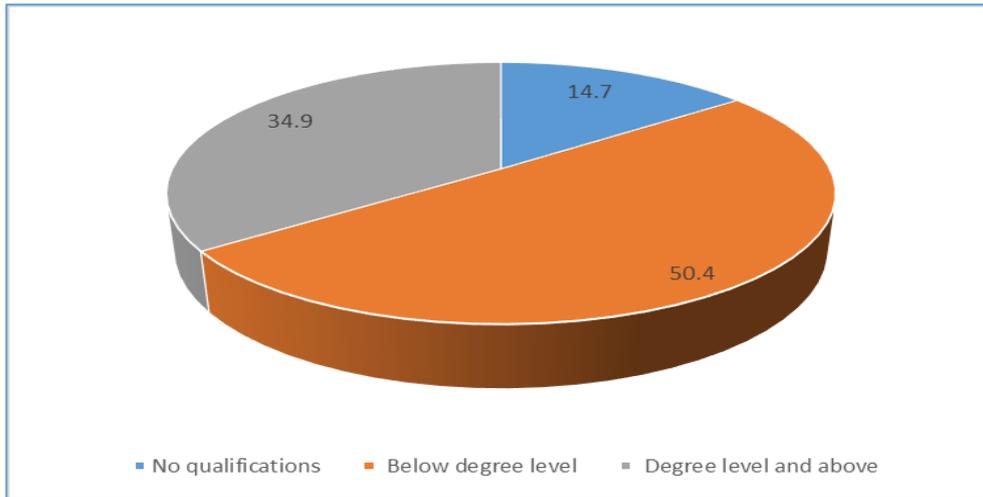
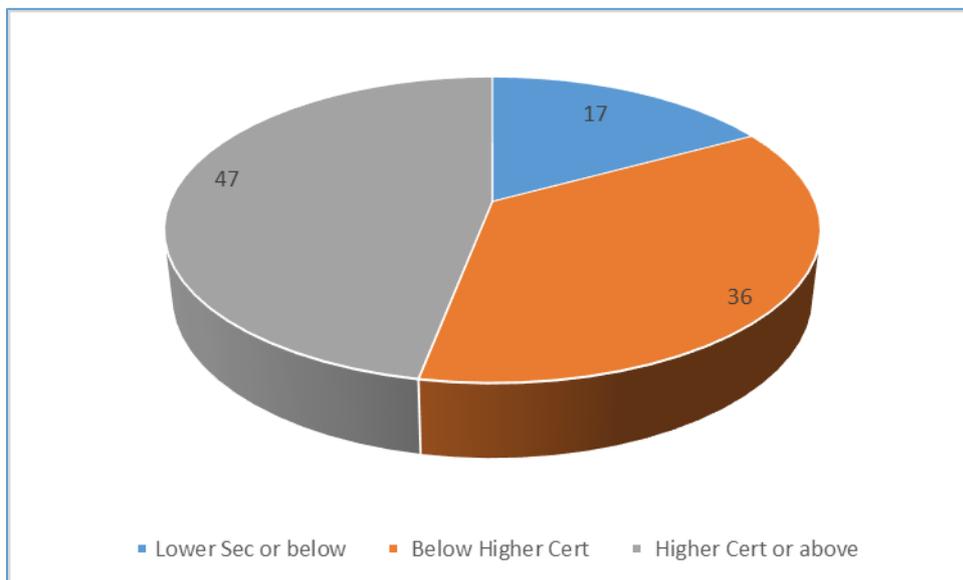


Chart 2: Highest Qualifications Attained by those aged 16-64 in Northern Ireland, % (2018)⁴²

For the Republic of Ireland, we can see the highest level of education attained by those aged 25 to 64 years in Chart 3.

Chart 3: Highest Level of Education Attained by those aged 25-64 in ROI, % (Q2 2018)⁴³



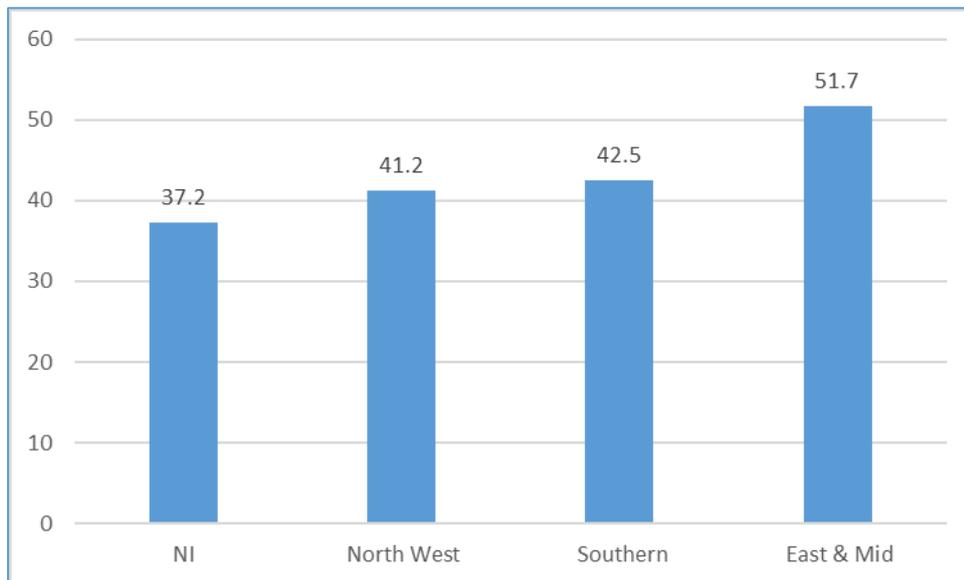
As was the case with Northern Ireland, the majority of the population (bearing in mind the different statistical age categories used in relation to the two jurisdictions) possesses a “medium” level of educational qualifications, in this case 47% achieving below a Higher

⁴² NISRA, [“Labour Market Structure – Employment Activity and Qualifications level by Local Government District 2009-2018”](#).

⁴³ CSO, [“Persons Aged 25-64 by Nationality, Sex, Education Level and Quarter”](#).

Certificate as their highest level of education, with 36% of 25-64 year-olds in the Republic of Ireland attaining a Higher Certificate or more. However, there is a significant disparity in terms of those attaining third-level – or tertiary – education, as displayed in Chart 4.

Chart 4: % of 25-64 year-olds in 2018 having attained tertiary education in Northern Ireland, and in each of the three Regional Assembly areas in the Republic of Ireland



According to Eurostat, in 2018 37.2% of those aged 25 to 64 in Northern Ireland had attained a tertiary education; in all three of the Republic of Ireland’s Assembly Regions (equivalent to NUTS 2 regions) in the same year, a higher percentage of 25-64 year-olds had done the same.⁴⁴

In terms of engagement in the labour market, the ILO participation rate for those aged 15 and over in the Republic of Ireland in Quarter 2 of 2019 stood at 62.1% (a 0.2% year-on-year decrease), with a seasonally adjusted ILO unemployment rate of 5.2% for those aged 15 to 74 in the same period (a 0.7% year-on-year decrease).⁴⁵ In Northern Ireland the employment rate for those aged 16 and over was 58% in 2018 (a 0.8% increase from 2017),⁴⁶ while the unemployment rate for those aged 16 to 64 in Quarter 3 Of 2019 was 2.6% (a 1.3% year-on-year decrease).⁴⁷

There is of course mobility of the two populations between the two jurisdictions on the island of Ireland for a variety of purposes, and not restricted to those living within the Northern Ireland-Ireland border region. Northern Ireland’s Department for the Economy estimates, for example, that there are 43 million vehicle crossings each year at 15 major crossing points, with traffic not counted at other minor crossing points, and with the

⁴⁴ Eurostat, [“Tertiary educational attainment, age group 25-64 by sex and NUTS 2 regions”](#).

⁴⁵ CSO, [“ILO Participation and Unemployment Rates by Sex, Quarter and Statistic”](#).

⁴⁶ NISRA, [“Labour Market Structure – Employment Activity and Qualifications level by Local Government District 2009-2018”](#).

⁴⁷ NISRA, [“Northern Ireland Labour Market Structure: Seasonally Adjusted”](#).

northbound and southbound flows being fairly even.⁴⁸ It also reports one transport company's (Translink, which is the main public transport provider in Northern Ireland) estimate of 900,000 cross-border coach passenger journeys in 2016/17, and a further 868,532 cross-border rail journeys between 2014/15 and 2016/17, with 40% of those travelling on the Enterprise train service between Belfast and Dublin in 2016 doing so for business purposes; 41% of business travelers on the Enterprise were doing so weekly.⁴⁹

6.2. The profile of the Northern Ireland-Ireland border region

An estimated 20% (over 1,340,000) of the total population of the island of Ireland was residing in the Northern Ireland-Ireland border region in 2018 (Table 1).⁵⁰ With some isolated exceptions, population growth across the region in 2018 was below the average in the respective jurisdictions (1.3% in the Republic of Ireland and 0.6% in Northern Ireland). Indeed, by using the CSO's 2016 Census data to capture the rates of population growth within the Border Regional Authority's constituent counties,⁵¹ we can see that County Donegal actually saw a 1.2% decrease in its population from 2011, whereas in Co. Cavan the population grew by 3.9% between 2011 and 2016.⁵² The population is spread unevenly across this geographical area, with (using figures for 2016) the Republic of Ireland's Border Regional Authority Area and Fermanagh & Omagh in Northern Ireland having the lowest population densities of only 35 and 40.7 persons per square kilometre respectively,⁵³ and Co. Louth and Armagh City, Banbridge & Craigavon both having the highest at 156 persons per km² (Table 2). These disparities in terms of population densities can be seen as reflecting the region's predominantly rural nature, with a small number of urban clusters.

*Table 1: Population of the Northern Ireland-Ireland border region (2018)**

Border Regional Authority Area	402,800 (+1.2%)
Armagh, Banbridge & Craigavon	214,100 (+1%)
Newry, Mourne & Down	180,000 (+0.6%)

⁴⁸ Department for the Economy, "[Background Evidence on the Movement of People across the Northern Ireland-Ireland Border](#)", p.11.

⁴⁹ "[Background Evidence on the Movement of People across the Northern Ireland-Ireland Border](#)", pp.13-14.

⁵⁰ It is important to note that, as was set out in the introduction, in relation to Northern Ireland this study takes its geographical focus as the five local government districts adjoining the Northern Ireland-Ireland border. The estimate for the population of the Northern Ireland-Ireland border region is based on the figures relating to the five local government districts in Northern Ireland in the "[NISRA Statistical Bulletin: 2018 Mid-year Population Estimates for Northern Ireland](#)", and those relating to the Border Regional Authority Area provided by the CSO in its "[Population and Migration Estimates April 2018](#)". However, this estimate has also used the population total for Co. Louth (part of what was the Mid-East Regional Authority Area) in the 2016 Census, which was 128,884. The inclusion of 2016 statistics for Co. Louth alongside those for the Border Regional Authority Area will recur at other points in this study.

⁵¹ The term "Border Regional Authority area" is being employed in this study as a means to distinguish administrative areas in the Republic of Ireland from those in Northern Ireland, but this administrative division was abolished following the Local Government Reform Act 2014, which replaced regional authorities with regional assemblies.

⁵² The population growth in the other counties in the 2011-2016 period was: Sligo 0.2%, Leitrim 0.8%, and Monaghan 1.5%.

⁵³ CSO, "[Regional SDGs Ireland 2017 – Population density by region, 2016](#)" and NISRA, "[Various geographies – population densities \(1981-2016\)](#)". The source for the population density of Co. Louth was Louth County Council's "[Louth – Healthy County Plan 2018-2022](#)", p.3.

Derry & Strabane	150,700 (+0.1%)
Mid Ulster	147,400 (+0.7%)
Co. Louth (2016)	128,884 (+0.9%)*
Fermanagh & Omagh	116,800 (+0.5%)
Total	1,340,684

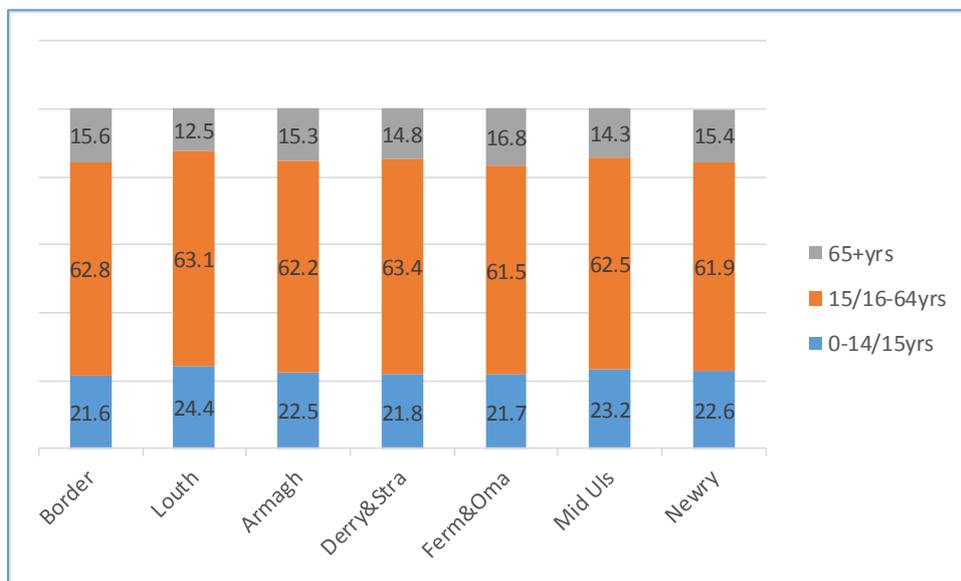
*The percentage change for Co. Louth was calculated using the population growth relative to the 2011 Census, where the increase over this period was 4.6%.

Table 2: Population densities in the Northern Ireland-Ireland border region (2016)

Armagh, Banbridge & Craigavon	156.1
Co. Louth (2016)	156
Derry & Strabane	121.3
Newry, Mourne & Down	109.8
Mid Ulster	79.8
Fermanagh & Omagh	40.7
Border Regional Authority Area	35

The Northern Ireland-Ireland border region contains a relatively higher percentage of younger people in comparison to the overall composition of the populations in the respective jurisdictions, where in the Republic of Ireland 20.7% of the population was aged 0 to 14 in April 2018, with those aged 0 to 15 representing 20.9% of the population of Northern Ireland in June 2018. As Chart 5 shows, all of the areas within the geographical scope of this study had higher percentages of younger people.

Chart 5: Age profiles of the population of the Northern Ireland-Ireland border region, % (2018) *⁵⁴

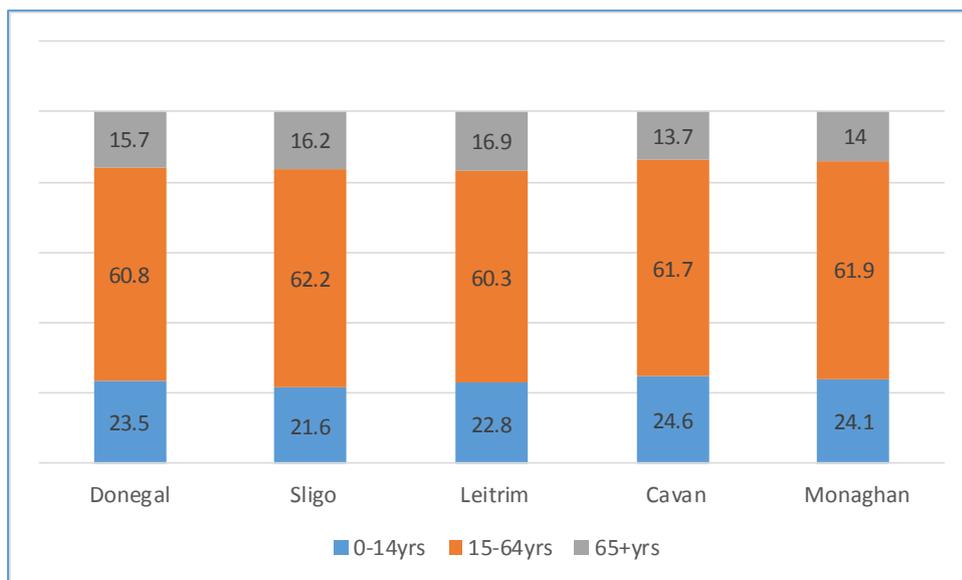


* The data relating to the age profile of Co. Louth was taken from the CSO 2016 Census

⁵⁴ [“NISRA Statistical Bulletin: 2018 Mid-year Population Estimates for Northern Ireland”](#), p.5; CSO, [“Population Estimates \(Persons in April\) by Age Group, Sex and Year”](#). While both NISRA and the CSO employ the 65+ age category, there are minor differences in others, with NISRA using 0-15 and 16-64 years for the other age bands, and CSO using 0-14 and 15-64 years.

The data also show that Fermanagh & Omagh has a slightly higher percentage of those aged 65 and over than the overall figure for Northern Ireland (16.8% compared to 16.4%), which is also the case for the Border Regional Authority area in relation to the overall percentage for the Republic of Ireland (15.6% compared to 13.9%). However, in order to gain a more detailed understanding of this feature of the population of the Border Regional Authority area, Chart 6 shows the age profiles for its constituent counties according to the 2016 Census.

Chart 6: Age profiles of the counties of the Border Regional Authority area, % (2016)



According to the 2016 Census, all counties within the Border Regional Authority area had higher percentages of persons aged 65 or over than the overall figure for the Republic of Ireland, which in 2016 stood at 13.4%. What can be seen here, and what remains the case in relation to the 2018 figures, is that the Northern Ireland-Ireland border region has higher percentages of both younger and older people relative to the overall population of the island of Ireland, meaning that it has a lower percentage of those aged between 15 and 64 years of age.

Educational attainment in the Northern Ireland-Ireland border region underperforms in relation to general levels of attainment in the respective jurisdictions. In 2018 a lower percentage of those aged between 16 and 64 in all five local government districts in Northern Ireland abutting the border had achieved an NVQ Level 4 or above than the overall percentage for Northern Ireland. Moreover, a higher percentage of the same age cohort in three of the five districts had no qualifications in comparison with the overall figure for Northern Ireland, as can be seen in Table 3.

Table 3: Level of qualifications attained by 16 to 64 year olds in 5 NI LGDs % (2018)⁵⁵

	NVQ Level 4 or above	No qualifications
Northern Ireland	34.9%	14.7%

⁵⁵ NISRA, [“Labour Market Structure – Employment Activity and Qualifications level by Local Government District 2009-2018”](#).

Armagh, Banbridge & Craigavon	32.4%	14%
Derry & Strabane	33.1%	15.3%
Fermanagh & Omagh	29.4%	13.7%
Mid Ulster	33.9%	19.4%
Newry, Mourne & Down	30.2%	17.9%

Similarly, in Quarter 2 of 2018 9% of those aged 25 to 64 in the Border Regional Authority area had only attained primary education, compared with 5% of the total population; while 47% of the total population in the Republic of Ireland had achieved a Higher Cert or above, only 38% had achieved this in the Border Regional Authority area.⁵⁶ The 2016 Census results allow us in Table 4 to look at the percentage of those aged 15 years and above in the constituent counties of the Border Regional Authority Area and Co. Louth with third level qualifications, as well as those with no formal or only primary education.

Table 4: % of those aged 15 and over with 3rd level education, or no formal or only primary education (2016)⁵⁷

	3 rd Level	No formal or only primary
Republic of Ireland	42%	13.3%
Donegal	33.4%	21.9%
Leitrim	37.7%	15.7%
Sligo	40.7%	14.2%
Cavan	33.5%	17.8%
Monaghan	32.9%	18%
Louth	36.6%	15.8%

All of the counties included in the above table registered lower percentages of those with a third level education, and higher percentages of those who had no formal or only primary education than the equivalent figures for the Republic of Ireland as a whole in 2016.

⁵⁶ CSO, [“Persons Aged 25-64 by Region, Sex, Education Level and Quarter”](#).

⁵⁷ CSO, [“Census of Population 2016 – Profile 10 Education, Skills and the Irish Language/Level of Education”](#).

In terms of the nature of the labour market in the Northern Ireland-Ireland border region, given the differences in which data is gathered in the two jurisdictions, we will look at how the geographical areas on either side of the border fare in comparison to their respective jurisdictions, beginning with the employment rate of those aged 16 to 64 in Northern Ireland in 2018. Highlighting those abutting the border, Table 5 displays the ranking of all eleven Local Government Districts in Northern Ireland, from highest to lowest employment rates, with the overall Northern Ireland employment rate included in the rankings.

Table 5: Employment rate (%) of 16-64 year olds in Northern Ireland by LGD (2018)⁵⁸

Antrim & Newtownabbey	77.7%
Lisburn & Castlereagh	76.8%
Mid Ulster	74.2%
Armagh, Banbridge & Craigavon	73.9%
Ards & North Down	72.9%
Mid & East Antrim	71.2%
Northern Ireland	70%
Fermanagh & Omagh	68.8%
Newry, Mourne & Down	67.1%
Causeway Coast & Glens	66.8%
Belfast	64.7%
Derry & Strabane	61.6%

⁵⁸ NISRA, [“Labour Market Structure – Employment Activity and Qualifications level by Local Government District 2009-2018”](#).

As Table 5 shows, in 2018 two of the five Northern Ireland Local Government District areas within the Northern Ireland-Ireland border region had higher employment rates than the overall rate for Northern Ireland, while the other three came below the overall rate, with Derry & Strabane showing the lowest rate in Northern Ireland. However, it should also be noted that Belfast was just above Derry & Strabane, at 64.7%.

While 33,000 people in Northern Ireland were unemployed in 2018, which accounted for 3.7% of the economically active population aged 16 and over, Derry & Strabane stands out at a more local level in terms of the statistics relating to the claimant count. Table 6 shows the proportion of residents aged 16 to 64 claiming unemployment-related benefits in November 2019, ranking all eleven local government district areas from the highest to the lowest, and including the overall figure for Northern Ireland.

Table 6: Claimant Count as proportion of resident population aged 16-64 (November 2019)⁵⁹

Derry & Strabane	4.6%
Causeway Coast & Glens	3.0%
Mid & East Antrim	3.0%
Belfast	2.8%
Northern Ireland	2.5%
Ards & North Down	2.3%
Fermanagh & Omagh	2.3%
Newry, Mourne & Down	2.3%
Antrim & Newtown Abbey	2.1%
Armagh, Banbridge & Craigavon	2.0%
Mid Ulster	1.7%
Lisburn & Castlereagh	1.6%

We can see from the above table that, just as in relation to employment rates (Table 5), Mid Ulster (1.7%) and Armagh, Banbridge & Craigavon (2%) performed particularly well in comparison with the overall claimant count rate for Northern Ireland (2.5%), with

⁵⁹ NISRA, "[Claimant Count Monthly Data](#)".

Fermanagh & Omagh and Newry, Mourne & Down also registering lower rates than Northern Ireland as a whole, but Derry & Strabane had the highest proportion of residents aged 16 to 64 claiming unemployment-related benefits (4.6%).

Table 7 sets out the ILO participation rate of those aged 15 years and over in all NUTS 3 regions in the Republic of Ireland in Quarter 2 of 2019, and the overall national rate, ranking them from highest to lowest.

Table 7: ILO Participation Rate (%) by NUTS 3 region in the Republic of Ireland (Q2 2019)⁶⁰

Dublin	66.2%
Mid-East	63.9%
Republic of Ireland	62.1%
West	61.6%
South-West	60.2%
Mid-West	59.6%
South-East	58.8%
Border	58.5%
Midland	57.9%

The Border Regional Authority Area falls well below the overall national participation rate, at 58.5% compared to 62.1%. However, we have also highlighted the Mid-East region, which contains Co. Louth, and ranks in 2nd place in terms of ILO participation rates. In order to capture the labour market at county level, Table 8 sets out the labour force participation and unemployment rates for Co. Louth and the constituent counties of the Border Regional Authority area, taken from the CSO's 2016 Census, with the same figures at national level.

⁶⁰ CSO, ["Labour Force Quarterly Series/QLF08/Persons aged 15 years and over by Region, Quarter and Statistic"](#).

Table 8: Labour force participation and unemployment rates (%) of persons aged 15 years and over (2016)⁶¹

	Labour Force Participation Rate	Unemployment Rate
Republic of Ireland	61.4%	12.9%
Donegal	57.3%	18%
Sligo	57.9%	14%
Leitrim	59.3%	14.5%
Cavan	61.3%	15.1%
Monaghan	61.9%	13%
Louth	60.9%	16.7%

All of the counties included in the above table registered higher rates of unemployment in 2016 than the overall national rate, although Co. Monaghan recorded a 0.5% higher labour force participation than Ireland’s overall rate, and with Co. Cavan only 0.1% below the national rate. Donegal’s high unemployment rate (18%) in 2016 was actually an improvement on the rate recorded in the 2011 Census, where it stood at 26.2%.

Although comparisons of the economies of the two jurisdictions on the island of Ireland would not be helpful due to the differences in scale and the fact that we would be comparing the economy of a sovereign state with that of a devolved administration, we can nevertheless gain some understanding of the levels of productivity and income within the two jurisdictions, and how the Northern Ireland-Ireland border region fares.

Table 9 sets out the GVA produced in each of the 11 local government district areas in 2017, ranking them from highest value of goods or services produced per person to lowest, and including the overall rate for Northern Ireland. However, it is important to remember that this statistic refers to the value of goods and services produced per person in each location, and therefore those actually producing those goods and services may not be residents of that location and could be commuting there from another place.

Table 9: GVA per head for NUTS 3 areas in Northern Ireland (2017)⁶²

Belfast	£47,893
Northern Ireland	£21,172
Antrim & Newtownabbey	£18,082
Armagh, Banbridge & Craigavon	£17,531
Derry & Strabane	£17,193
Mid Ulster	£16,796

⁶¹ CSO, [“Labour Force Participation and Unemployment Rate of Population Aged 15 Years and Over 2011 to 2016 by Sex, County and City, Age Group, Census Year and Statistic”](#).

⁶² Office for National Statistics, [“Regional economic activity by gross value added \(balanced\), UK: 1998 to 2017”](#) (12 December 2018).

Lisburn & Castlereagh	£16,598
Mid & East Antrim	£15,197
Newry, Mourne & Down	£13,766
Fermanagh & Omagh	£13,410
Causeway Coast & Glens	£13,129
Ards & North Down	£10,064

While Belfast had achieved its highest ranking (7th) in the top ten of NUTS 3 areas in all of the UK in terms of GVA per head in 2017 (with overall UK GVA per head at £27,555), within Northern Ireland we can see from Table 9 that Armagh, Banbridge & Criagavon, Derry & Strabane, and Mid Ulster are only surpassed by Belfast and Antrim & Newtownabbey. However, with the exception of Belfast, all of Northern Ireland’s NUTS 3 areas were well below the UK overall figure for GVA per head in 2017, and of the local government areas within the Northern Ireland-Ireland border region, Newry, Mourne & Down, and Fermanagh & Omagh are included in the bottom ten of NUTS 3 areas in the UK, alongside Causeway Coast & Glens, and Ards & North Down.⁶³

Meanwhile, Dublin also outstripped all other locations in the Republic of Ireland in terms of estimated GVA per head in 2017; with the Republic’s overall GVA per head standing at €57,000 in 2017, Dublin’s was €83,990. Bearing in mind that no figures are available for GVA per head for the Mid-West or South-West,⁶⁴ Table 10 shows where the Border Regional Authority area and the Mid-East (which includes Co. Louth) were placed in relation to all other NUTS 3 areas for GVA per head in 2017.

Table 10: GVA per head for NUTS 3 areas in the Republic of Ireland, excluding the Mid-West and South-West (2017)⁶⁵

Dublin	€83,990
Republic of Ireland	€57,000
Mid-East	€37,967
South-East	€33,715
West	€28,834
Midland	€21,365
Border	€20,601

While Co. Louth is within an area that performed comparatively well in terms of GVA per head in relation to elsewhere in the Republic of Ireland in 2017, the Border Regional Authority area was the site where the value of goods or services produced per person was

⁶³ ONS, [“Regional economic activity by gross value added \(balanced\), UK: 1998 to 2017”](#), pp.16-17.

⁶⁴ The CSO’s explanation for the absence of figures for these two areas is “suppressed for reasons of confidentiality”.

⁶⁵ CSO, [“Table 9c: GVA per Person at Basic Prices, 2008 to 2017”](#).

lowest. Again, it is important to remember that elements of the population of the Border Regional Authority Area may be commuting to another area where they will be contributing to that place's GVA.

In order to reach a better understanding of the economic status of the population of the Northern Ireland-Ireland border region, given that some of it may be commuting elsewhere to work, we can look at the levels of disposable income to be found here. Table 11 sets out the gross disposable household income (GDHI) per head across the NUTS 3 areas of Northern Ireland in 2017, as estimated by the Office of National Statistics.

Table 11: GDHI per head (£) for NUTS 3 areas in Northern Ireland (2017)⁶⁶

Lisburn & Castlereagh	£18,074
Ards & North Down	£17,237
Mid & East Antrim	£17,089
Antrim & Newtownabbey	£16,143
Causeway Coast & Glens	£16,051
Northern Ireland	£15,813
Armagh, Banbridge & Craigavon	£15,391
Mid Ulster	£15,292
Fermanagh & Omagh	£15,289
Belfast	£15,215
Newry, Mourne & Down	£14,988
Derry & Strabane	£14,282

⁶⁶ ONS, [“Regional gross disposable household income, UK: 1997 to 2017”](#).

There are two striking features from the above table. One is that Belfast, despite being the NUTS 3 area that saw by far the highest value of goods and services being produced per person in 2017 in all of Northern Ireland (and even ranking among the top 10 in all of the UK), it is also an area where the disposable income of its population (£15,215) is lower per head than that of the overall figure for Northern Ireland (£15,813). The other is that all of Northern Ireland’s NUTS 3 areas within the Northern Ireland-Ireland border region have households with lower gross disposable income per head than the Northern Ireland average.

The levels of estimated disposable income per head across the Republic of Ireland’s NUTS 3 areas in 2016 are shown in Table 12.

Table 12: Disposable income per person (€) for NUTS 3 areas in the Republic of Ireland (2016)⁶⁷

Dublin	€24,431
Republic of Ireland	€20,638
Mid-West	€20,306
Mid-East	€19,911
South-West	€19,784
South-East	€19,387
West	€18,363
Midland	€17,717
Border	€17,370

Unlike the case of Belfast in Northern Ireland in 2017 (Table 11), the table above shows that in 2016 Dublin had the highest disposable income per head of all the NUTS 3 areas in the Republic of Ireland, while also being the area with the highest GVA per head (€74,917 in

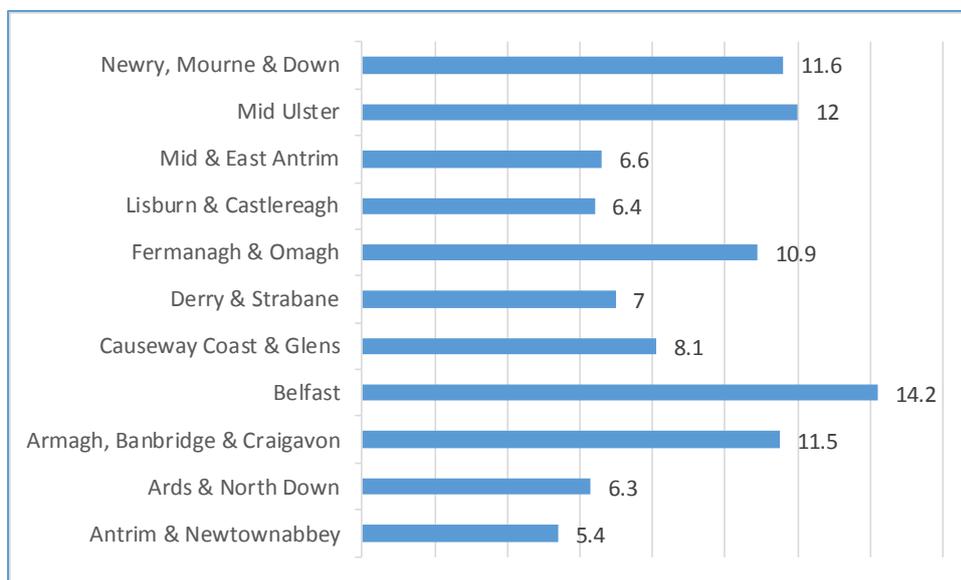
⁶⁷ CSO, [“Table 3: Estimates of Disposable Income per Person by Region and County, 2007 to 2016”](#).

2016). However, whereas in the case of Northern Ireland in 2017 we saw several NUTS 3 areas with higher levels than average of disposable income, only Dublin does so in the case of the Republic of Ireland in 2016. Table 12 also shows the Border area having the lowest disposable income per person, although the Mid-East (which includes Co. Louth) saw much higher levels.

The same statistics at county level show that in 2016 Co. Donegal had the lowest levels of disposable income per person (€15,892) of all Republic of Ireland counties in the Northern Ireland-Ireland border region, with Co. Sligo having the highest (€19,277), closely followed by Co. Leitrim (€18,738) and Co. Louth (€18,359). Indeed, Co. Donegal’s figures are the main contributors to the low overall figure for the Border Regional Authority area (€17,370), since all the other counties within it posted levels of disposable income above the region’s average.

Opportunities for employment within the Northern Ireland-Ireland border region can begin to be gauged by the number of active businesses located within it, and what percentage this represents of businesses within the respective jurisdictions. In Northern Ireland, for example, there were 75,490 registered businesses in 2019, and the NUTS 3 areas abutting the border held a significant share of this number, as shown in Chart 7.

Chart 7: % of VAT/PAYE registered businesses by NUTS 3 area in Northern Ireland (2019)⁶⁸



Although Belfast has the highest percentage of registered businesses in Northern Ireland in 2019 (14.2%, or 10,705), four out of the five NUTS 3 areas in the Northern Ireland-Ireland border region dominate in terms of the numbers of businesses operating within them. Between them, in 2019 Mid Ulster, Newry, Mourne & Down, Armagh, Banbridge &

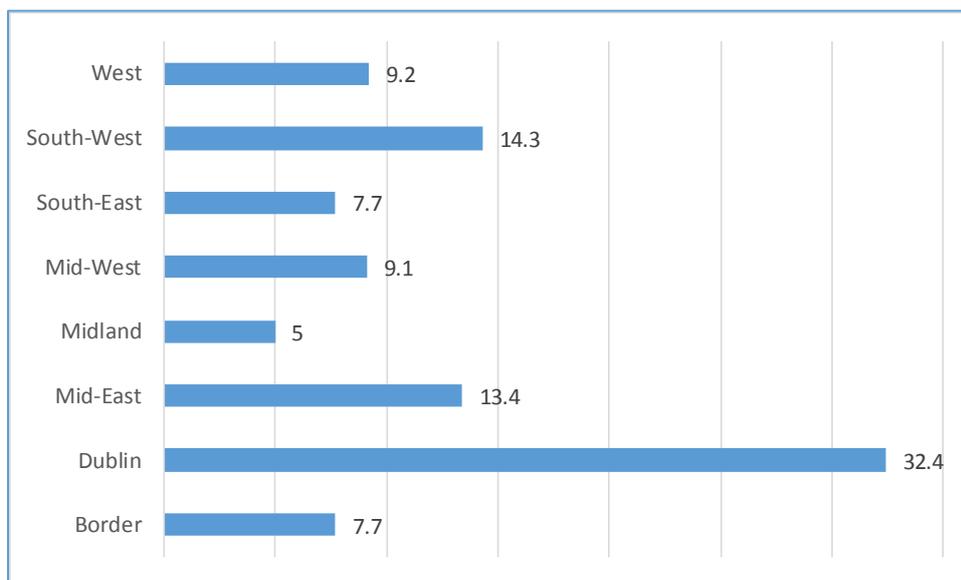
⁶⁸ Calculated on the basis of data in “Table 3.1: Number of VAT and/or PAYE Registered Businesses Operating in Northern Ireland by District Council Area, 2013-2019”, in NISRA, [“Edition 22 – Facts and Figures from the IDBR”](#) (20 June 2019).

Craigavon, and Fermanagh & Omagh had 46% of all registered businesses operating in Northern Ireland (and with Derry & Strabane's 7%, that share accounts for 53% of all businesses). Indeed, while all NUTS 3 areas in Northern Ireland saw an increase in the number of businesses, Derry & Strabane experienced the largest percentage increase (2.7%), and Newry, Mourne & Down saw the largest actual increase, with 225 more businesses (a 2.6% increase).

Figures for 2017 show that there were 271,166 active enterprises in the Republic of Ireland. Chart 8 below sets out how they were dispersed across the NUTS 3 areas. However, it is important to note that whilst enterprises in the food products, beverages and tobacco sector are included in the CSO estimates, agricultural businesses (farms) are not. Ireland's Agriculture and Food Development Authority, Teagasc, states "The Census of Agriculture 2016 showed there were 137,500 farms compared to 139, 860 farms in the 2010 Census of Agriculture".⁶⁹

⁶⁹ Teagasc, ["Agriculture in Ireland"](#).

Chart 8: % of active enterprises by NUTS 3 area in the Republic of Ireland (2017)⁷⁰



Unlike Northern Ireland, where Belfast’s share of all businesses only superseded that of Mid Ulster by 2.2%, Dublin outstrips all other NUTS 3 areas in the Republic of Ireland with 32.4% of all active enterprises (or 87,828). The Mid-East, including Co. Louth, accounts for the third largest share (13.4%), with the Border Regional Authority area having one of the lowest shares (7.7%). However, when examining the figures at county level, it is worth noting that Co. Donegal has a larger representation of active enterprises than all other Irish counties within the Northern Ireland-Ireland border region.⁷¹

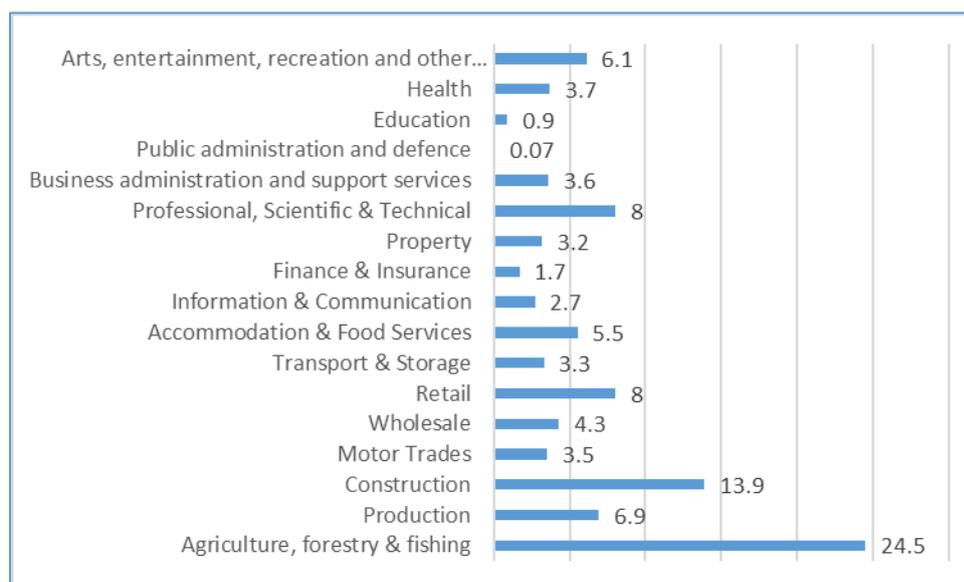
Bearing in mind important underlying differences in how the CSO and NISRA estimate the numbers of businesses in their respective jurisdictions, in 2017 (the earliest year for which the relevant data is available for both jurisdictions) there were 65,040 businesses in the Northern Ireland-Ireland border region (37,615 in the five NUTS 3 areas on the Northern Ireland side of the border, and 27,425 in the Border Regional Authority area and Co. Louth on the other side). That represented 19% of businesses on the island of Ireland in 2017.

The nature of the businesses active in the Northern Ireland-Ireland border region needs to be understood within the overall business landscape in the two jurisdictions. Chart 9, therefore, sets out the weight of a range of business activities in Northern Ireland as a percentage of all businesses registered in 2019 (75,490).

⁷⁰ Calculated from data in CSO, [“Business Demography NACE Rev 2 by Employment Size, County, Year and Statistic”](#).

⁷¹ In 2017 Co. Donegal had 3% of Ireland’s active enterprises, with Co. Louth having 2.4%, Co. Cavan 1.5%, Co. Monaghan and Co. Sligo both with 1.2%, and Co. Leitrim 0.7%.

Chart 9: % of businesses in Northern Ireland by Broad Industry Group (2019)⁷²



Agriculture, forestry and fishing businesses dominate the business landscape in Northern Ireland, representing 24.5% of all businesses, with construction having a significant presence at 13.9%, followed by retail (8%) and professional, scientific and technical enterprises (8%). Importantly, though, while there may be many agriculture businesses in Northern Ireland, they only represent 3.3% of all employee jobs, whereas health has over 15% of employee jobs.⁷³ The business landscape within the five NUTS 3 areas in Northern Ireland abutting the border shows some significant differences, with Fermanagh & Omagh being a notable example.

The agriculture, forestry and fishing sector represented 46.2% of all businesses in Fermanagh & Omagh in 2019, with all other sectors having a smaller representation than the overall figure for Northern Ireland. Of these, the area is significantly below the Northern Ireland overall figure in production (1.4% below), wholesale (1.4% below), retail (3.6% below), accommodation and food services (2.1% below), information and communication (2% below), and arts, entertainment and recreation (2.4% below). But the sector that is most significantly underrepresented in Fermanagh & Omagh is professional, scientific and technical, where the area is 4.1% below the figure for Northern Ireland. This, however, is a common feature across all five of the NUTS 3 areas where this business sector has a lower presence, although Fermanagh & Omagh shows the greatest discrepancy.

Of the five areas, Mid Ulster has the second highest representation of agriculture, forestry and fishing, at 36.2% of all businesses in 2019. It also has a more significant presence of production (9.1%) and construction (16.7%) businesses than is the case for Northern Ireland as a whole, but a significantly lower representation of businesses in retail (1.7% lower), accommodation and food services (2.1% lower), information and communication (1.8%

⁷² NISRA, "Table 3.2: Number of VAT and/or PAYE Registered Businesses Operating in Northern Ireland by District Council Area and Broad Industry Group, 2019", in "[Edition 22 – Facts and Figures from the IDBR](#)".

⁷³ See Ulster University Economic Policy Centre, "[Northern Ireland Skills Barometer – Summary report](#)" (July 2019), p.4.

lower), arts, entertainment and recreation (2.6% lower), and professional, scientific and technical (3.5% lower).

Agriculture, forestry and fishing is also an important business sector in Newry, Mourne & Down (27.2% of all businesses), but the representation of the construction sector is even more significant (17.5%) than the overall figure for Northern Ireland, with the transport sector (3.9%) also being slightly more important to this area than for Northern Ireland as a whole. The only sector significantly underrepresented in Newry, Mourne & Down is professional, scientific and technical, which is 1.3% below the overall figure for Northern Ireland, with all other sectors not falling below the overall figure by more than one percentage point, and construction having the same presence (6.9%) as in Northern Ireland as a whole.

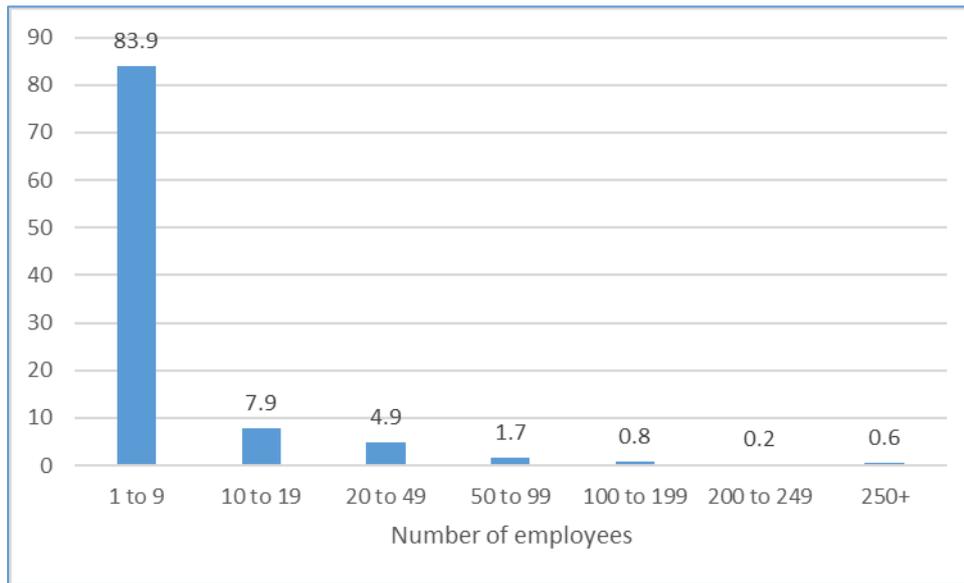
In Armagh, Banbridge & Craigavon, meanwhile, while agriculture, forestry and fishing represented 27.7% of all businesses in the area in 2019, a number of other sectors were more strongly represented than was the case for Northern Ireland as a whole. These included production (7.2%), construction (14%), motor trades (3.9%), wholesale (5.1%), retail (8.7%), and transport and storage (4.7%). Of those sectors where representation was significantly below the overall figure for Northern Ireland, accommodation and food services, and professional, scientific and technical saw the greatest differences (1.2% and 1.9% lower respectively).

Derry & Strabane was the only area where agriculture, forestry and fishing was not more strongly represented than the overall figure for Northern Ireland in 2019, accounting for 24% of all businesses. Motor trades (3.7%), retail (8.6%), accommodation and food services (5.7%), and arts, entertainment and recreation (6.3%) all featured more prominently in Derry & Strabane than in Northern Ireland as a whole, but with health (4.5%) and construction (16%) having the greatest comparative presence in relation to their overall presence in Northern Ireland. Of the sectors less well represented in Derry & Strabane than is the case in Northern Ireland as whole, the professional, scientific and technical sector registered the greatest discrepancy, at 1.4% below the equivalent figure for Northern Ireland.

In 2019, therefore, 70.8% of all businesses in the agriculture, forestry and fishing sector in Northern Ireland were located within the five NUTS 3 areas adjoining the border, which also contained 58.6% of all construction businesses, 57.6% of all transport and storage businesses, 54.8% of all production businesses, and 48.9% of all retail businesses. In contrast, the same areas only contained 27.4% of all information and communication businesses, and 36.4% of all professional, scientific and technical businesses.

Smaller enterprises employing less than ten people predominate in Northern Ireland, with only 310 companies having more than 250 employees, which accounts for 0.6% of businesses, as can be seen in Chart 10.

Chart 10: % of VAT and/or PAYE registered businesses in Northern Ireland by employee size band (2019)⁷⁴



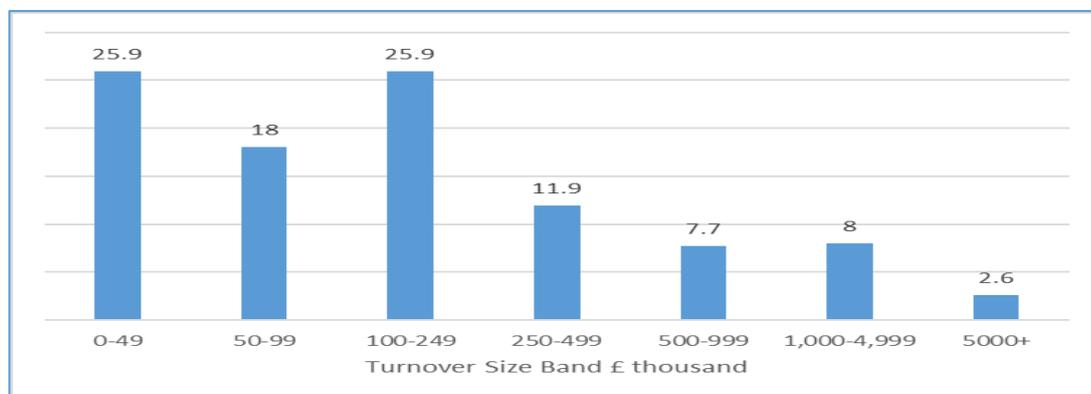
Businesses employing less than ten people have a higher presence in all five of the Northern Ireland NUTS 3 areas in the Northern Ireland-Ireland border region than the 83.9% overall figure, with Fermanagh & Omagh having the highest representation of such businesses (87.8%). However, while smaller businesses also dominate in Derry & Strabane, it has higher percentages of businesses employing 10 to 19 people (8.3%) and of those with more than 250 employees (0.7%) than is the case for Northern Ireland overall.

As can be seen in Chart 11, the majority of businesses in Northern Ireland had a turnover of less than £250,000 in 2019, with only 2.6% registering a turnover of £5million or more, although as in many other aspects Belfast diverges substantially from the pattern

⁷⁴ Calculated from NISRA estimates in “Table 3.4: Number of VAT and/or PAYE Registered Businesses Operating in Northern Ireland by District Council Area and Employee Size Band, 2019”, [“Edition 22 – Facts and Figures from the IDBR”](#). It is important to note that in our calculations we have discounted holding companies and registered companies not yet trading.

elsewhere, having a much lower percentage of businesses with a turnover lower than £49,000 (11.6%), and a much higher percentage of those with a turnover of £5 million or more (5.6%).

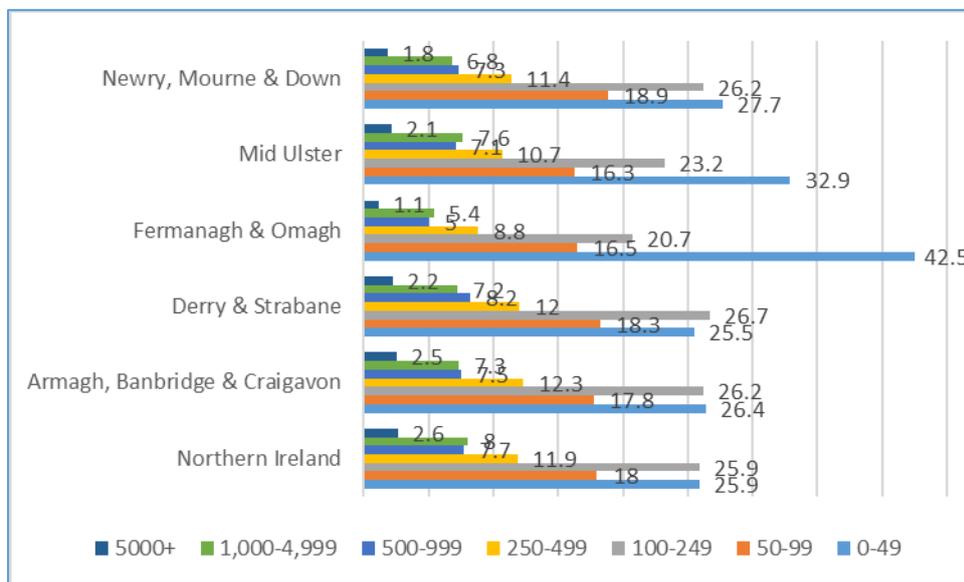
Chart 11: % of registered businesses in Northern Ireland by turnover size band (2019)⁷⁵



Almost 70% of Northern Ireland businesses are in the lower turnover size bands, with 25.9% of them with turnover of less than £49,000.

This pattern is felt somewhat more acutely in most of the NUTS 3 areas adjoining the border, with 42.5% of businesses in Fermanagh & Omagh having a turnover of £49,000 or less in 2019, and only 1.1% with a turnover of £5 million or more, as shown in Chart 12.

Chart 12: % of registered businesses by turnover size band, £ thousands (2019)



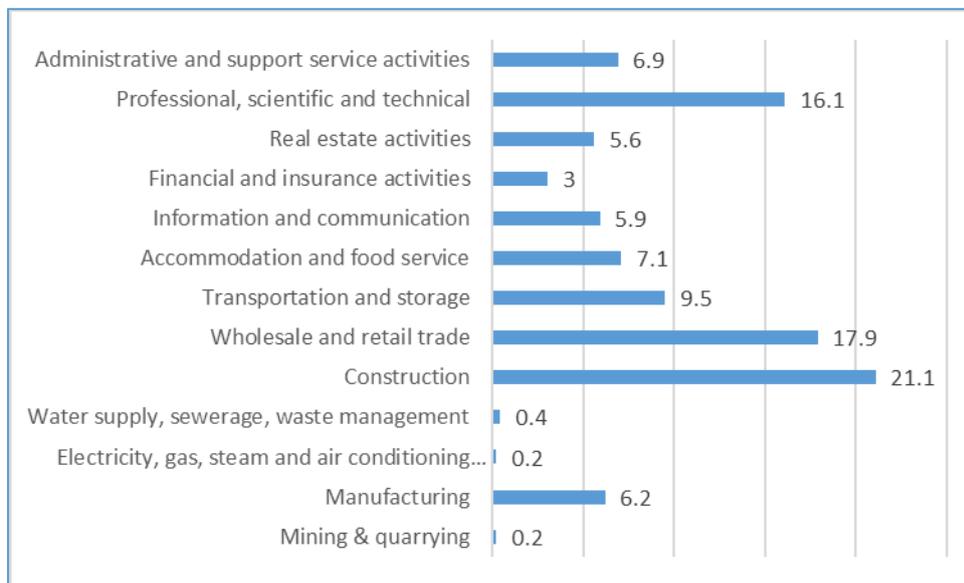
Derry & Strabane, however, distinguishes itself from the other Northern Ireland NUTS 3 areas in the Northern Ireland-Ireland border region, and from the overall pattern in the jurisdiction. In 2019 it had a higher percentage of businesses in all turnover bands from £50,000 to £99,000 and £500,000 to £999,000 than Northern Ireland as a whole, with in particular a higher percentage in the £100,000 to £249,000 (26.7%) and £500,000 to £999,000 (8.2%) bands. Armagh, Banbridge & Craigavon also has a higher percentage of

⁷⁵ NISRA, "Table 3.3: Number of VAT and/or PAYE Registered Businesses Operating in Northern Ireland by District Council Area and Turnover Size Band, 2019", ["Edition 22 – Facts and Figures from the IDBR"](#).

businesses than Northern Ireland as a whole in the £100,000 to £249,000 (26.25) and £250,000 to £499,000 (12.3%) bands, and only a 0.1% lower percentage of businesses with a turnover of £5 million or more (2.5%).

Given the different methodologies employed by the CSO and NISRA in categorizing business activity in their respective jurisdictions, particularly in terms of how agricultural activity is accounted for separately in the Republic of Ireland, straightforward comparisons of the business landscapes on either side of the Northern Ireland-Ireland border cannot be made. However, Chart 13 sets out the percentages of businesses involved in a range of activities in the Republic of Ireland in 2017.

Chart 13: % of active enterprises in the Republic of Ireland by activity (2017)⁷⁶



We can see how construction (21.1%), wholesale and retail (17.9%), and professional, scientific and technical (16.1%) represent significant areas of business activity in the Republic of Ireland. This pattern is replicated across almost all of the Irish counties within the Northern Ireland-Ireland border region, with construction having an even greater presence here (representing 29.2% of businesses in Co. Cavan in 2017, and 22.3% in Co. Louth where it had the lowest percentage). The wholesale and retail trade was most strongly represented in Co. Monaghan (25.5% of all businesses in 2017), and had a weaker presence in Co. Sligo (18.6%). However, Co. Donegal differed from other counties in that businesses in the accommodation and food service sector were more strongly represented than those in the professional, scientific and technical sector, with the former accounting for 11.8% and the latter 9.2%. In the other counties the professional, scientific and technical sector was the third most represented, although with a weaker presence than in the Republic of Ireland as a whole (with Co. Sligo having the highest percentage of businesses with such activities, at 14.4%).⁷⁷

⁷⁶ CSO, [“Table 1: Active Enterprises \(Number\) by Activity and Year”](#).

⁷⁷ The data used for these calculations was taken from CSO, [“BRA18: Business Demography by Activity, County, Year and Statistic”](#).

As noted earlier, agriculture is not included in the CSO data we have been referring to. However, it is noteworthy that 20.6% (approximately 28,400) of all Ireland’s farm holdings in 2016 were located in the Border Regional Authority Area.⁷⁸

As can be seen in Table 13, the predominance of businesses employing ten people or less in the Republic of Ireland in 2017 (92.1%) appears to be even stronger than in Northern Ireland, where in 2019 they accounted for 83.9%.

Table 13: % of Republic of Ireland businesses by employment size (2017)⁷⁹

	<i>Under 10 employees</i>	<i>10 to 19</i>	<i>20 to 49</i>	<i>50 to 249</i>	<i>250+</i>
<i>Republic of Ireland</i>	92.1%	4.1%	2.4%	1.2%	0.2%
<i>Cavan</i>	92.4%	4.1%	2.1%	1.3%	0.1%
<i>Donegal</i>	91.8%	4.7%	2.4%	1%	0.1%
<i>Leitrim</i>	94.7%	*	1.7%	0.6%	*
<i>Louth</i>	91.4%	5%	2.4%	1%	0.2%
<i>Monaghan</i>	91%	5%	2.6%	1.5%	0.1%
<i>Sligo</i>	93.1%	3.4%	2.3%	1%	0.2%

* CSO states that in these cases “data has been suppressed to protect the confidentiality of individual enterprises”.

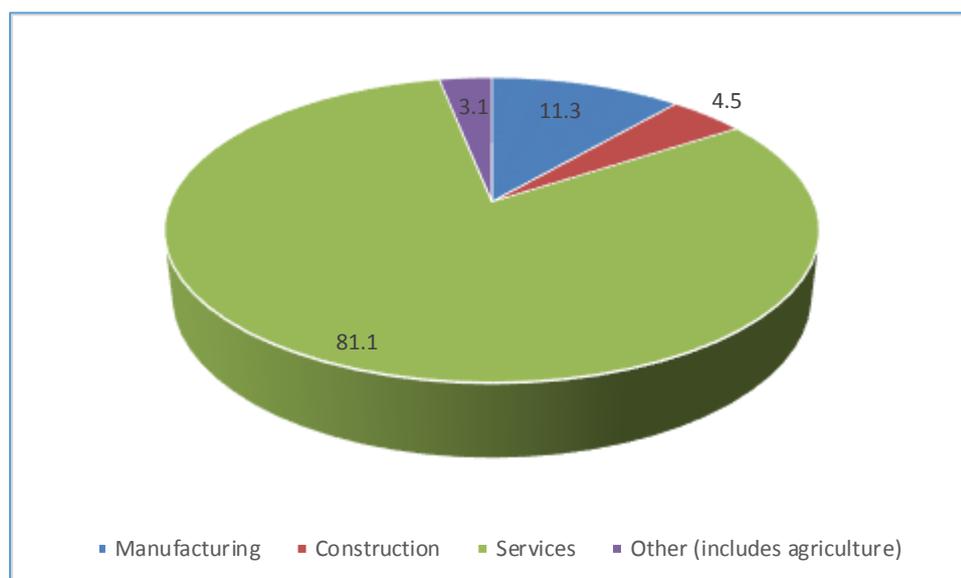
Although the Irish border counties’ business demography in terms of the sizes of its businesses is broadly in line with that of the Republic of Ireland overall, Co. Monaghan in particular has a higher percentage of businesses employing between 10 and 249 people. Nevertheless, the vast majority of businesses in Ireland’s border counties employ less than ten people.

According to NISRA’s [labour market report for November 2019](#), of the total employee jobs (778,890), the majority (631,890, or 81.1%) were in services, with manufacturing having the second largest share of employees (11.3%), as can be seen in Chart 14.

⁷⁸ CSO, [“Table 2.1: Number of Farms by Farm Size \(AAU\) and Region 2016”](#).

⁷⁹ CSO, [“BRA08: Business Demography NACE Rev 2 by Employment Size, County, Year and Statistic”](#).

Chart 14: % of employee jobs in Northern Ireland by broad sector (June 2019)



However, there are some significant differences in terms of the sectoral distribution of employment in the five of Northern Ireland’s NUTS 3 areas within the Northern Ireland-Ireland border region, particularly in relation to the relative importance of the services sector.

Table 14: % of employee jobs by broad sector in 5 NUTS 3 areas in Northern Ireland (2018)⁸⁰

	Construction	Manufacturing	Services	Agriculture	Other
Armagh, Banbridge & Craigavon	5	16.4	74	3	1.5
Derry & Strabane	4.6	9.8	82.8	1.5	1.3
Fermanagh & Omagh	6.3	13	74.2	4	2.4
Mid Ulster	8.4	28.6	58.3	2.9	1.8
Newry, Mourne & Down	6.1	12.7	76.2	2.6	2.3

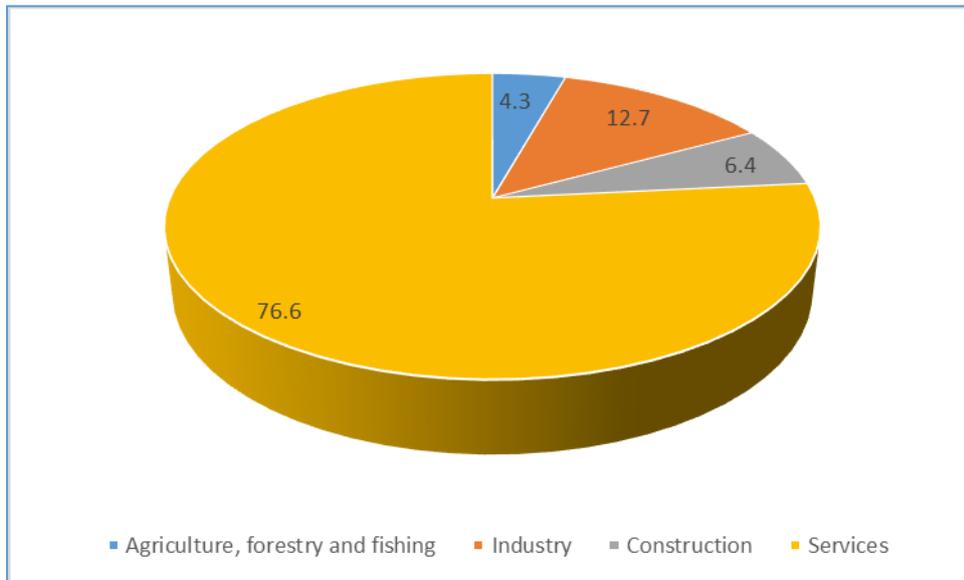
With the exception of Derry & Strabane (where it is marginally more important), Table 14 above shows how in 2018 the service sector employed a smaller percentage of people than was the case for Northern Ireland overall, and this was most notably the case for Mid Ulster. Here, whereas the services sector only accounted for 58.3% of employee jobs, manufacturing represented 28.6%, which is more than double the figure for Northern Ireland as a whole. This sector was also more important in terms of the share of employee jobs in the other NUTS 3 areas within the border region, except for Derry & Strabane, where it accounted for 9.8%. Construction also accounted for more employee jobs in all five of the

⁸⁰ NISRA, “BRES 2018”, in [“Business Register and Employment Survey”](#) (27 June 2019).

NUTS 3 areas than in Northern Ireland overall, with Mid Ulster having the highest percentage (8.4%). In overall terms agriculture was not a significant sector for employee jobs, with Fermanagh & Omagh having the highest share in this sector, at 4%.

The CSO's [Labour Force Survey for the third quarter of 2019](#) includes the distribution of those aged 15 years and over in employment by business sectors, including agriculture, as set out in Chart 15.

Chart 15: % of persons aged 15 years and over in employment by broad sector in the Republic of Ireland (Q3 2019)⁸¹

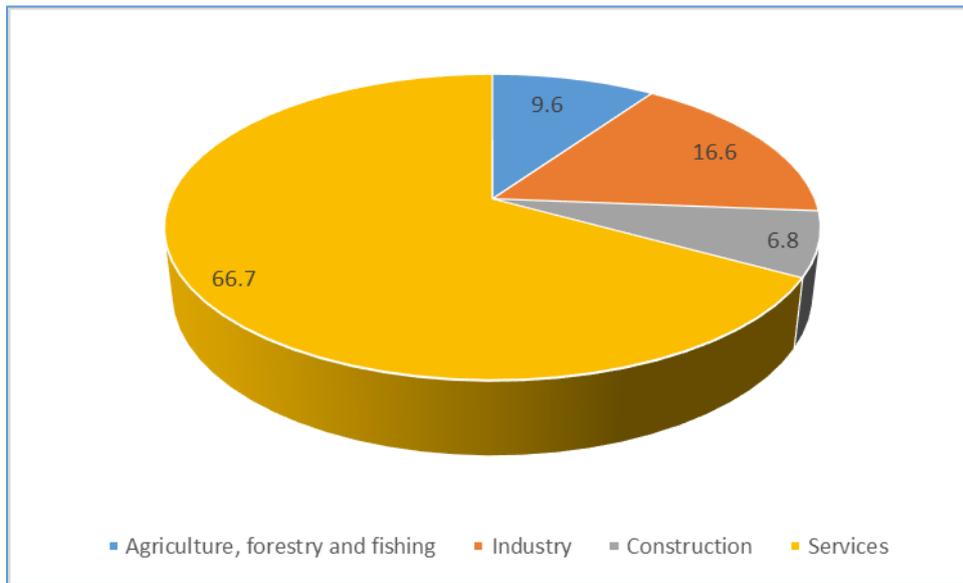


We can see from the above chart that as in Northern Ireland the services sector accounts for the largest share of those employed (76.6%) in the Republic of Ireland, although its dominance is not as marked as in Northern Ireland. A slightly higher percentage of people are engaged in the construction, industry, and agriculture, forestry and fishing sectors than in Northern Ireland.

However, as shown in Chart 16, there are some variations from this national distribution pattern in the Border Regional Authority area.

⁸¹ In the calculations we have discounted those who had not stated the sector in which they were employed.

Chart 16: % of persons aged 15 years and over in employment by broad sector in the Border Regional Authority Area (Q3 2019)



In the Border Regional Authority area there were approximately 10% less people employed in the services sector, with a higher share employed in industry (16.6%) and more than double (9.6%) in agriculture, forestry and fishing. The Mid-East region, which includes Co. Louth, did not diverge substantially from the overall national pattern of employment distribution, with the services sector employing almost the same percentage, agriculture and industry employing slightly less, and construction showing the greatest difference, employing 9%.

For a number of reasons, it is difficult to accurately gauge the opportunities for employment in the Northern Ireland-Ireland border region and how it compares with opportunities available in the respective jurisdictions. Moreover, we cannot make straightforward comparisons between the two jurisdictions. In the case of Northern Ireland, therefore, we can look at the number of job vacancies notified to Job Centres and Jobs & Benefits Offices of the Department for Communities (DfC) in the 2018/19 financial year, and see how many of these are available in the five NUTS 3 areas in the Northern Ireland-Ireland border region.⁸²

Table 15: Employment vacancies notified to DfC (2018/19)

	Number of vacancies	Number per 1,000 of	% change from
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⁸² As the Department for Communities' ["Statistical Bulletin: Employment Vacancies Notified to the Department for Communities – 2018/19 Financial Year"](#) (1 May 2019) cautions: "The statistics presented here do not relate to the total unsatisfied demand for staff by employers, but to only those vacant positions that have been notified by employers to DfC" (p.1).

		resident population	previous year
Northern Ireland	58,563	31.3	3%
Armagh, Banbridge & Craigavon	9,418	44.4	28%
Derry & Strabane	3,551	23.6	7%
Fermanagh & Omagh	2,288	19.7	-7%
Mid Ulster	4,396	30	5%
Newry, Mourne & Down	3,130	17.5	-1%

Armagh, Banbridge & Craigavon saw the largest increase in numbers of vacancies in Northern Ireland in 2018/19, meaning that there were 44.4 vacancies per 1,000 head of its population (with only Belfast exceeding this number, at 47.6 per 1,000 head of population). Fermanagh & Omagh experienced a 7% decrease in vacancies, and registered the lowest number in Northern Ireland notified to DfC. Newry, Mourne & Down had the lowest number of vacancies in Northern Ireland per 1,000 head of population.⁸³

Although there are no readily available data at the NUTS 3 area level, the sectors of economic activity in Northern Ireland with the highest number of notified vacancies to the DfC in 2018/19 were: “administrative and support services” (14,202, an increase of 23% from 2017/18); “other services” (12,869, a decrease of 4%); “human health and social work” (6,865, a 10% increase); “accommodation and food services” (7,534, a 1% increase); and “wholesale and retail trade” (6,342, a 7% decrease).⁸⁴

The CSO’s preliminary estimates for the third quarter of 2019 sets the number of job vacancies in the Republic of Ireland at 16,400 (which, if confirmed, would represent a

⁸³ Department for Communities, [“Statistical Bulletin: Employment Vacancies Notified to the Department for Communities – 2018/19 Financial Year”](#), p.8.

⁸⁴ Department for Communities, [“Statistical Bulletin: Employment Vacancies Notified to the Department for Communities – 2018/19 Financial Year”](#), p.11.

significant fall from Q3 of 2018, when there were 21,500 vacancies).⁸⁵ The sectoral distribution of these vacancies is shown in Table 16.

Table 16: Number of job vacancies in the Republic of Ireland by economic sector (Q3 2019)

Industry	1,500
Construction	400
Wholesale and retail trade	1,800
Transportation and storage	400
Accommodation and food services	900
Information and communication	1,500
Financial, insurance and real estate	1,900
Professional, scientific and technical	2,500
Administrative and support services	900
Public administration and defence	1,900
Education	1,100
Human health and social work	1,300
Arts, entertainment and recreation	300

Outside of public administration and defence (with 1,900 vacancies), the sectors with the highest numbers of job vacancies in the Republic of Ireland in the third quarter of 2019 were professional, scientific and technical (2,500), financial, insurance and real estate (1,900), and wholesale and retail trade (1,800).

The CSO survey does not provide the figures at regional or local levels. However, Ireland’s recruitment website, IrishJobs.ie, offers some insights through its [Job Index](#) that include developments at county level. Thus, its [report](#) on the third quarter of 2018 notes how Co. Monaghan saw a 49% year-on-year increase in the number of vacancies – the highest in

⁸⁵ CSO, “Table 7b: Job vacancies by economic sector and other characteristics and quarter”, in [“Earning and Labour Costs Quarterly”](#) (25 November 2019). However, as SOLAS notes in its [“Vacancy Overview 2016”](#) (May 2017), while the data informing this CSO survey “examines all companies with 50 or more employees, it includes only a sample of enterprises with 3-49 employees which may impact sectors such as construction, accommodation/food services and professional activities where the share of companies with more than 50 employees is small” (p.9).

Ireland. We can see how Co. Monaghan’s performance compares to that of the other Irish counties within the Northern Ireland-Ireland border region in Table 17.

Table 17: Year-on-year % change in number of job vacancies (Q3 2018)

Cavan	23%
Donegal	-2%
Leitrim	11%
Louth	20%
Monaghan	49%
Sligo	15%

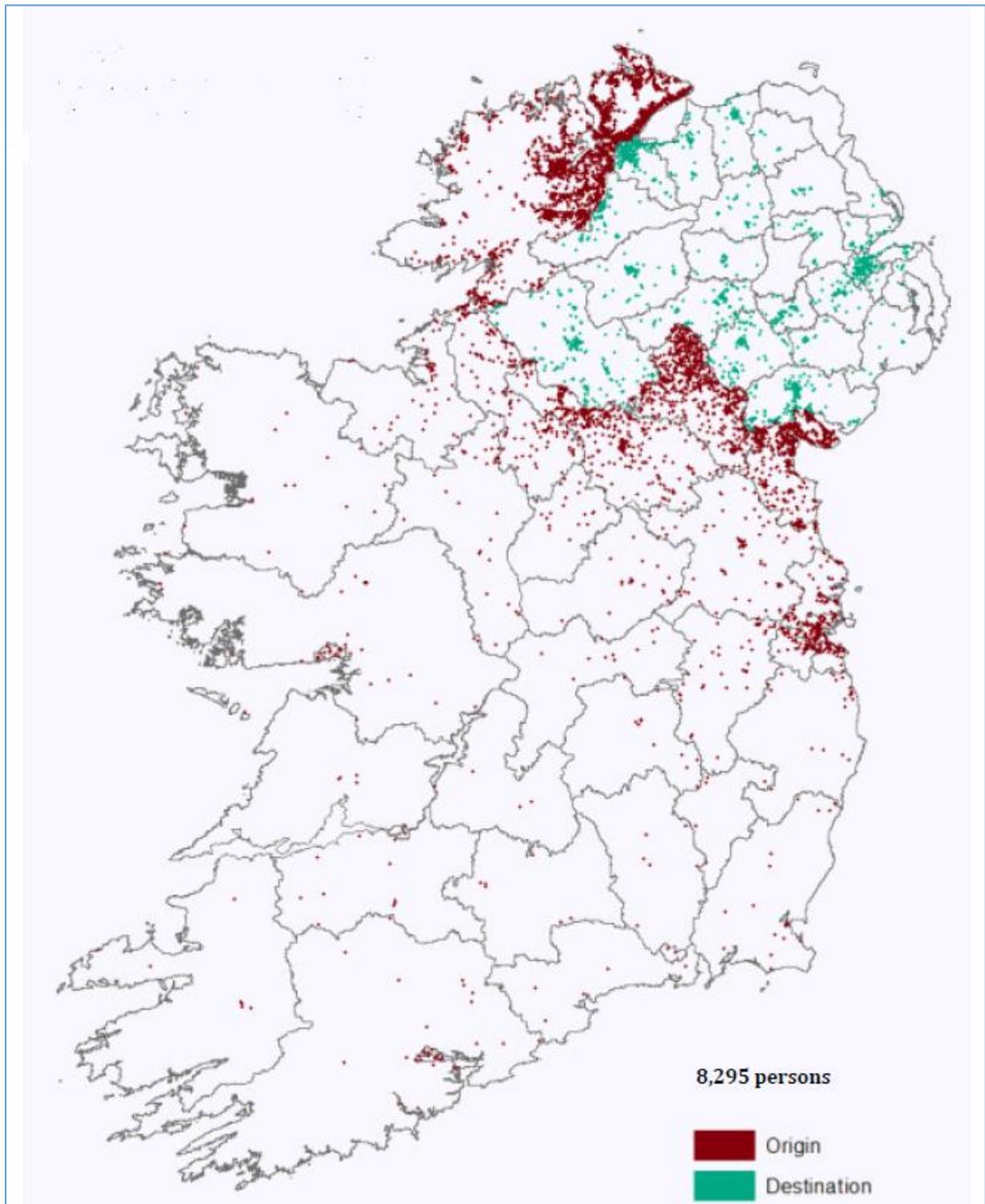
Whereas almost all counties in the Republic of Ireland saw an increase in the number of vacancies according to IrishJobs.ie, Donegal was one of only three counties which actually saw a decrease in the third quarter of 2018.

6.3. Cross-border mobility in the Northern Ireland-Ireland border region

Although, as noted earlier, there is mobility of the two populations between the two jurisdictions on the island of Ireland for a variety of purposes, and not restricted to those living within the Northern Ireland-Ireland border region, our focus here will be on the border region and on issues of mobility with relevance to the labour market. In their joint report of 2014, the CSO and NISRA note that the “majority of those [from Ireland] who commuted to Northern Ireland were resident in the border areas of Donegal, Cavan, Monaghan and Louth”, and while the residence of those commuting in the opposite direction “was more widely spread across Northern Ireland”, “much of the activity is in border areas”. However, bearing in mind that cross-border commuting for the purpose of education is included in this data, it is worth noting how the destinations of these cross-border commuters is not restricted to the Northern Ireland-Ireland border region, as the same report points out. In respect of commuters from Ireland, “Their destinations [...] were mainly concentrated in the Belfast and Derry LGDs, with further clusters in Newry, Armagh, Craigavon, Dungannon, Enniskillen, Omagh, Limavady, Strabane and Coleraine”. The destination of those commuting from Northern Ireland “is concentrated in Dublin, with further clusters in the towns of Letterkenny, Drogheda, Dundalk, Cavan and Monaghan”.⁸⁶ It is worthwhile reproducing here two maps included in the CSO and NISRA report to better illustrate the geography of these flows of cross-border commuters.

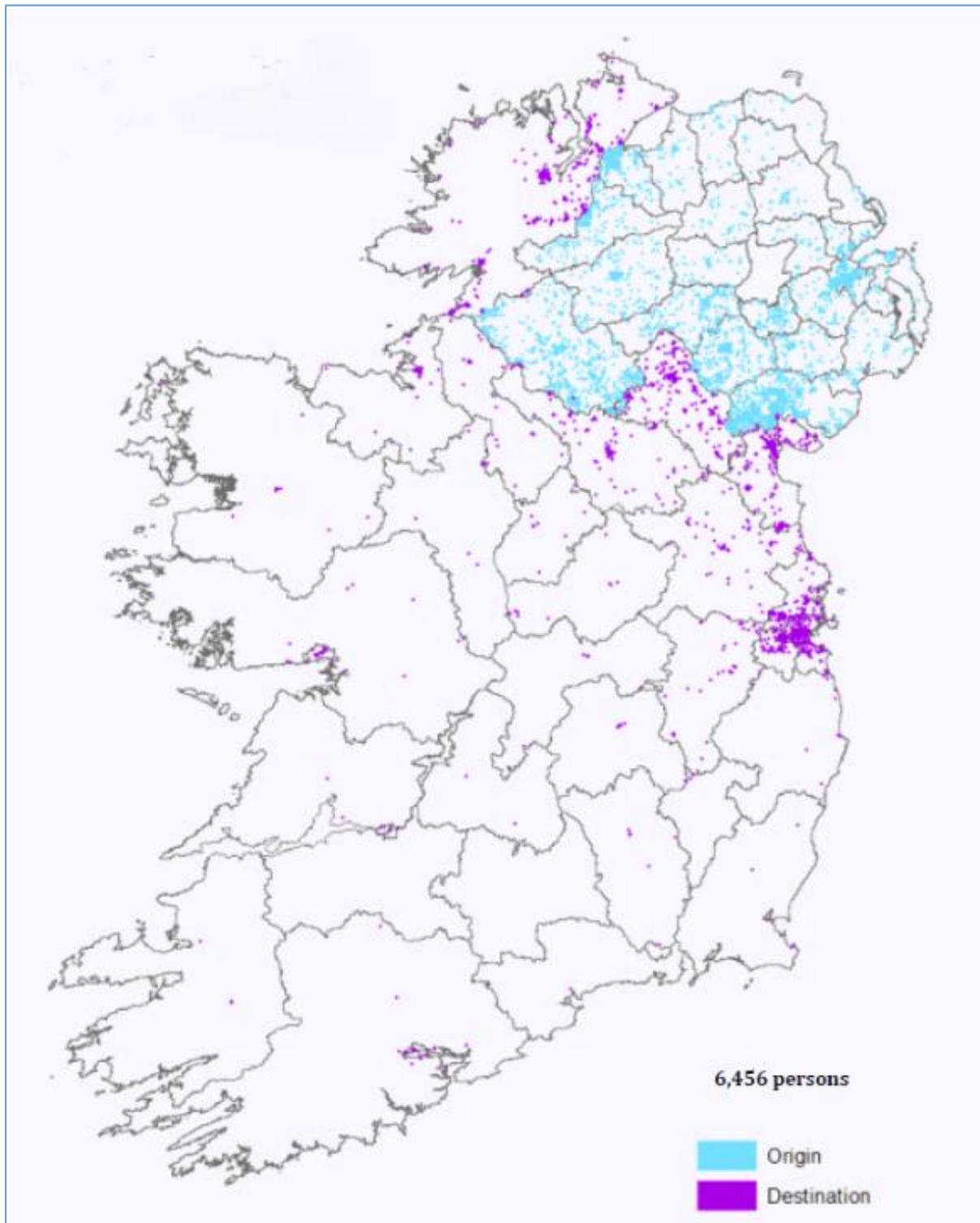
⁸⁶ CSO and NISRA, [“Census 2011: Ireland and Northern Ireland”](#) (June 2014), p.60.

Map 4 Origin and destination of cross-border commuters from Ireland to work or study in Northern Ireland⁸⁷



⁸⁷ [“Census 2011: Ireland and Northern Ireland”](#), p.61.

Map 5 Origin and destination of cross-border commuters from Northern Ireland to work or study in Ireland⁸⁸



⁸⁸ [“Census 2011: Ireland and Northern Ireland”](#), p.62.

The more recent report by Northern Ireland's Department for the Economy suggests that "commuter patterns indicate 'hotspots' between Derry-Londonderry and Donegal and between Newry and Dundalk (located on the Dublin-Belfast axis)", and that "Other noteworthy interactions include Cavan and Enniskillen, Lifford and Strabane and Monaghan and Armagh".⁸⁹ It also reflects on engagement it undertook with stakeholders in the North West of the island of Ireland, which "highlighted the importance of cross border workers", and how "over the past 10-15 years there has been a large number of people from Derry-Londonderry who have moved to live in the towns and villages in Donegal in close proximity to the border while continuing to work in [Northern Ireland]" (p.19).

In its analysis of data provided by the 2016 Census, the CSO reports:

"Census 2016 recorded 9,336 people who crossed the border for work and school, a decrease of 2.1% on the 2011 figure of 9,536. Workers made up three quarters, 7,037 of commuters, up 10%, while students accounted for the remainder (2,299 down 26%). Donegal accounted for the largest number of cross border commuters, with 5,600 commuters, 76 per cent of whom travelled to Co. Derry".⁹⁰

Two points arise from these figures. First, the fact that whilst overall cross-border commuting witnessed a decline in terms of the numbers travelling from Ireland to Northern Ireland, those doing so for reasons of work actually increased. The second point is the fact that, as noted earlier in this report, census figures will not include self-employed workers, such as freight drivers and builders, who work on both sides of the border but do not have a permanent place of work. The figures are also likely to exclude people such as those working in sales or construction who work mainly from home, but may have to cross the border regularly for work reasons. Nevertheless, using the data from the 2016 Census, Table 18 shows the counties of origin (left-hand column) and destination of people travelling from Ireland to Northern Ireland to work.

⁸⁹ Department for the Economy, "[Background Evidence on the Movement of People across the Northern Ireland-Ireland Border](#)" (March 2018), p.6.

⁹⁰ CSO, "[Cross Border Commuters 2016](#)", p.2.

Table 18: Persons aged 15 years and over usually resident in Ireland by county of place of work in Northern Ireland and county of usual residence (2016)⁹¹

County	Antrim	Armagh	Derry	Down	Fermanagh	Tyrone	Total
Carlow	0	1	2	1	1	1	6
Dublin City	62	18	11	36	2	16	145
Dun Laoghaire-Rathdown	35	6	1	11	0	3	56
Fingal	38	16	10	20	2	12	98
South Dublin	28	4	2	14	1	6	55
Kildare	19	13	4	10	4	5	55
Kilkenny	8	1	1	1	1	1	13
Laois	4	3	0	3	5	4	19
Longford	3	0	1	0	6	2	12
Louth	99	326	7	277	2	20	731
Meath	29	23	6	33	6	6	103
Offaly	7	3	2	1	2	3	18
Westmeath	12	4	2	4	2	3	27
Wexford	7	0	0	3	0	1	11
Wicklow	11	6	2	8	2	6	35
Clare	6	3	2	2	1	2	16
Cork City	4	1	0	2	0	2	9
Cork County	22	5	3	5	2	2	39
Kerry	4	2	3	4	0	1	14
Limerick City and County	7	3	0	2	2	0	14
Tipperary	9	2	0	4	1	6	22
Waterford City and County	2	1	1	2	1	2	9
Galway City	6	0	3	1	0	0	10
Galway County	12	1	6	9	2	2	32
Leitrim	4	3	3	1	106	17	134
Mayo	5	2	4	4	3	7	25
Roscommon	10	1	3	4	8	1	27
Sligo	5	4	0	1	16	2	28
Cavan	12	31	7	12	353	22	437
Donegal	191	20	2965	29	109	612	3926
Monaghan	68	428	13	81	134	187	911
Ireland	729	931	3064	585	774	954	7037

The figures underline Donegal and Derry's position as the prime sites of cross-border mobility for reasons of employment for those residing in the Republic of Ireland. While 3,926 people from Donegal cross the border to work in Northern Ireland, Derry is the recipient of 3,064 cross-border workers from Ireland. Four of the six Irish counties within the Northern Ireland-Ireland border region occupy the top four positions in terms of numbers of their respective populations travelling across the border to work, with Dublin

⁹¹ CSO, ["E6045: Population Aged 15 Years and Over at Work, Usually Resident and Present in the State 2011 to 2016 by County of Place of Work, County of Usual Residence and Census Year"](#).

City placed fifth (with 145), ahead of Co. Leitrim in sixth (with 134). According to the census, only 28 residents from Co. Sligo cross the border to work in Northern Ireland.

There is no equivalent 2016 census data for Northern Ireland, although a September 2018 Research Bulletin by Northern Ireland’s Department for the Economy on [“The movement of people across the Northern Ireland-Republic of Ireland border”](#) provides some insights using data from mobile phones. It estimates that Northern Ireland residents make 60,804,000 border crossings per year, and that the majority of them (using the old 26 Local Government Districts) originated in Derry (35.6%), Fermanagh (14.6%), Newry and Mourne (14%), Strabane (7.9%), and Dungannon and Armagh (both at 6.6%). “It was found”, the report states, “that 88% of crossings by [Northern Ireland] residents started in border LGDs” (p.6). Although the use of mobile data did not allow to ascertain the ultimate destination of Northern Ireland residents crossing the border, the report estimates that on average 35% of border crossings by Northern Ireland residents are work related.

In the absence of more recent data, the table below returns to the 2011 census for Northern Ireland to gain some understanding of where Northern Ireland residents working in the Republic of Ireland were coming from.⁹²

Table 19: Northern Ireland residents (aged 16-74, excluding students) working in Republic of Ireland (2011)

Antrim & Newtownabbey	74
Ards & North Down	76
Armagh, Banbridge & Craigavon	712
Belfast	238
Causeway Coast & Glens	133
Derry & Strabane	1,228
Fermanagh & Omagh	1,294
Lisburn & Castlereagh	140
Mid & East Antrim	70
Mid Ulster	356
Newry, Mourne & Down	1,749
Northern Ireland	6070

⁹² The data employed here is extracted from [Census 2011](#), “Location of Usual Residence by Place of Work in Republic of Ireland (ROI): CT0354NI”.

According to the 2011 Census, the five Northern Ireland NUTS 3 areas abutting the border occupy the top five positions in terms of numbers of their residents working in the Republic of Ireland, with Belfast coming sixth. Newry, Mourne & Down had the highest number (1,749), followed by Fermanagh & Omagh (1,294) and Derry & Strabane (1,228).

The following table sets out the counties in the Republic of Ireland where residents from the five Northern Ireland NUTS 3 areas in the Northern Ireland-Ireland border region work.

Table 20: Distribution of residents of 5 Northern Ireland NUTS 3 areas according to their place of work in the Republic of Ireland (2011)

	Armagh, Banbridge & Craigavon	Derry & Strabane	Fermanagh & Omagh	Mid Ulster	Newry, Mourne & Down	Total
Dublin City	75	21	48	37	218	399
South Dublin	13	7	7	5	38	70
Fingal	39	5	18	9	82	153
Dun Laoghaire- Rathdown	17	4	10	11	32	74
Kildare	3	8	6	8	17	42
Louth	124	6	13	18	747	908
Meath	16	1	4	8	53	82
Leitrim	0	0	59	2	2	63
Sligo	1	2	65	2	0	70
Cavan	22	3	345	12	7	389
Donegal	7	855	199	11	8	1,080
Monaghan	233	6	243	119	107	708
Other*	162	310	277	114	438	1,301

* Respondents did not specify where they worked in the Republic of Ireland

According to the data from the 2011 census, the five counties or cities in Ireland that attract the most residents in the five Northern Ireland NUTS 3 areas in the border region to cross the border to work are: Donegal (1,080), Louth (908), Monaghan (708), Dublin City (399), and Cavan (389). While Dublin City attracted more Northern Ireland residents to cross the border for work than Cavan, two Irish counties within the Northern Ireland-Ireland border region did not rank in the top five: Sligo (70) and Leitrim (63). For those travelling from

Belfast to work in Ireland, Dublin city was the top destination, followed by Co. Louth and Dun Laoghaire-Rathdown.

The 2014 joint report by the CSO and NISRA analysing the data from the 2011 censuses in the two jurisdictions noted that in terms of employment, “the most important industry for cross-border commuters was wholesale and retail, accounting for 16 per cent of persons travelling to Ireland from Northern Ireland and 14 per cent commuting in the opposite direction” (p.64). It also highlights the importance of education and health services, which together accounted for 28 per cent of those commuting from Ireland to Northern Ireland, and 22 per cent of those commuting in the opposite direction. However, the report does not comment on the fact that approximately 14% of those commuting from Ireland to Northern Ireland and 12.5% of those commuting in the opposite direction did so to work in the manufacturing (including mining) sector.

In terms of the occupations of those crossing the border to work, the same report states:

“Cross-border commuters were proportionally more likely than the general population to be working in managerial and professional roles. Together, managers, directors and professionals accounted for 44 per cent of workers in Ireland from Northern Ireland, and 38 per cent of those from Ireland commuting to work in Northern Ireland. Given the importance of the health and education industries for cross-border commuters, it is unsurprising that the professional occupations group was the most important category for both sets of workers” (p.64).

However, it also noted how, “in general, a higher percentage of those travelling to Ireland from Northern Ireland to work could be found in managerial and professional roles, while among those commuting to Northern Ireland from Ireland there was a greater number in occupational groups requiring lower skill levels, including operatives and elementary trades” (p.64).

7. The results

Based on the available data highlighted thus far, there are a number of potential conclusions that arise, beginning with the focal points of cross-border labour mobility in the Northern Ireland-Ireland border region.

- The cross-border route between Derry & Strabane and Co. Donegal continues to be the most intensive for the mobility of labour, with the flow being stronger in numerical terms from Donegal to Derry & Strabane.
- All of the LGDs/NUTS 3 areas in Northern Ireland within the border region remain the most important sites in terms of cross-border labour mobility from Northern Ireland to the Republic of Ireland (North to South).
- Four of the six Irish counties within the Northern Ireland-Ireland border region continue to be important points of origin for cross-border labour mobility into Northern Ireland (South to North), with significant numbers of workers undertaking this type of mobility: Donegal, Monaghan, Louth and Cavan.
- Co. Leitrim maintains some relative importance as a point of origin for cross-border labour mobility.
- Co. Sligo is not significant as a point of origin for cross-border labour mobility into Northern Ireland.
- All of the five LGDs/NUTS 3 areas in Northern Ireland within the border region are important destinations for cross-border labour mobility from the Republic of Ireland (South to North).
- Donegal, Monaghan and Louth appear to be the most important destinations for cross-border labour mobility from Northern Ireland (North to South), with Cavan retaining relative importance, although Dublin, outside the Northern Ireland-Ireland border region, also holds relative importance as a destination for workers from Northern Ireland. However, in the absence of more accurate and recent data, we cannot be definitive about the destinations of Northern Ireland residents travelling to work in the Republic of Ireland.
- Sligo and Leitrim appear to be of minor significance as destinations for cross-border labour mobility from Northern Ireland (North to South), with other counties outside the Northern Ireland-Ireland border region holding greater relative importance, especially along the Belfast-Dublin corridor.

From the information analysed earlier, there are a number of characteristics relating to the labour market environment in the Northern Ireland-Ireland border region that can be highlighted.

- Given that all areas within the Northern Ireland-Ireland border region have a higher percentage of their population aged 0-15 than the wider populations in the respective jurisdictions, the region will have a proportionally significant growth in those entering the potential labour force.
- The population of the Northern Ireland-Ireland border region has generally lower levels of educational attainment than the wider population of the island of Ireland,

with fewer people gaining third level qualifications, and more without any formal qualifications.

- The North West of the Northern Ireland-Ireland border region (Donegal and Derry & Strabane) has higher unemployment rates and lower labour participation rates than other areas of the border region.
- Newry, Mourne & Down and Co. Louth also have higher economic inactivity or unemployment rates than the overall rates in their respective jurisdictions.
- More than half (53%) of all registered businesses in Northern Ireland are located in the five LGDs/NUTS 3 areas that form part of the Northern Ireland-Ireland border region. It is estimated that in 2017 the Northern Ireland-Ireland border region accounted for almost a fifth (19%) of all active enterprises on the island of Ireland.
- As is the case for the island of Ireland as a whole, businesses employing fewer than ten people dominate the business landscape in the Northern Ireland-Ireland border region, although with some isolated but significant instances of businesses in the larger employment size bands.
- In 2019 70.8% of all businesses in the agriculture, forestry and fishing sector in Northern Ireland were located within the five NUTS 3 areas adjoining the border, which also contained 58.6% of all construction businesses, 57.6% of all transport and storage businesses, 54.8% of all production businesses, and 48.9% of all retail businesses. In contrast, the same areas only contained 27.4% of all information and communication businesses, and 36.4% of all professional, scientific and technical businesses.
- In overall terms in relation to the numbers of businesses, construction, manufacturing and, to a lesser extent, transport and storage, are sectors with greater comparative importance to the Northern Ireland-Ireland border region than to the island of Ireland overall.
- In terms of employment, the services sector employs the largest numbers of people in the Northern Ireland-Ireland border region, as is the case for the island of Ireland as a whole. However, a higher percentage of people were employed in manufacturing and construction in the border region than elsewhere.
- In the North West of the Northern Ireland-Ireland border region, where unemployment and inactivity rates are comparatively high, the number of job vacancies increased by 7% in Derry & Strabane in 2018/19, but Donegal saw a 2% decrease from Q3 2018 to Q3 2018. Apart from Newry, Mourne & Down which saw a 1% decrease, all other areas in the Northern Ireland-Ireland border region have experienced increases in the numbers of job vacancies, with the most significant increases occurring in Co. Monaghan and Armagh, Banbridge & Craigavon.

The potential implications of these results will be explored in the final section of this report.

8. Survey of cross-border employers and results

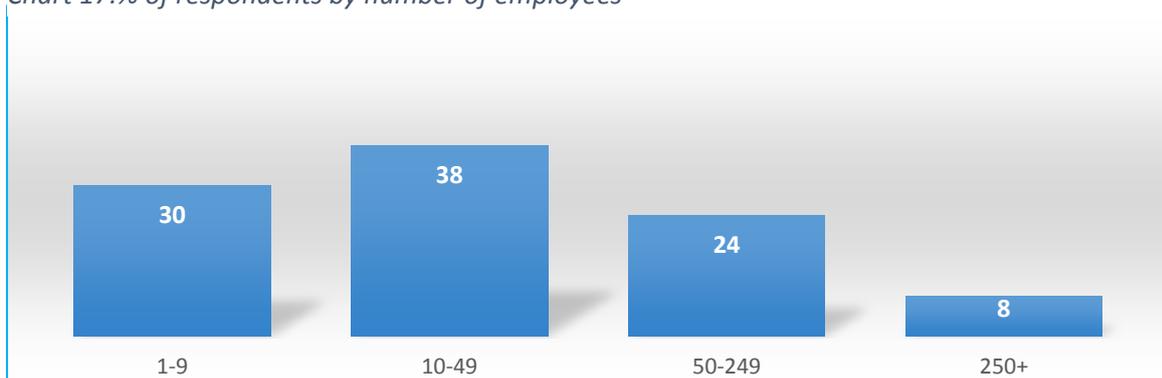
The EURES Ireland-Northern Ireland Cross Border Partnership and the Chambers of Commerce in the Northern Ireland-Ireland border region conducted a survey of employers in the Spring of 2019. The overarching purpose of the survey was to measure the number

and nature of cross-border employees. The survey was issued to a number of businesses, the majority of which were based in the border region and their responses recorded. Businesses were asked a series of questions (which can be seen in the Appendix) regarding their profile and their involvement with cross-border workers. Over 100 businesses responded to the full survey.

8.1. Profile of respondents

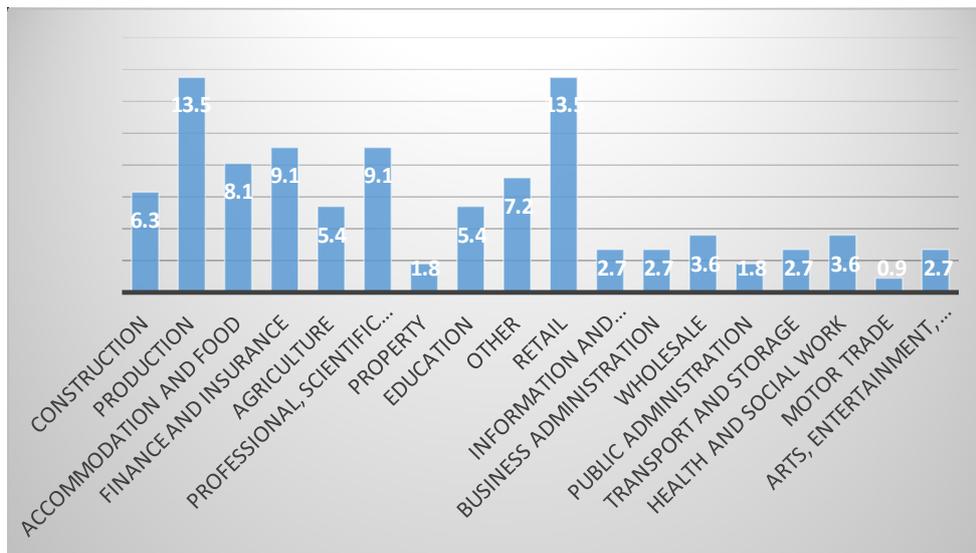
The highest number of respondents to the EURES survey were businesses employing between 10-49 people, making up 38% of the firms. Businesses employing between 1-9 workers were the second highest with 30%, while 24% of firms employed 50-249 workers. However, 8% of the businesses that replied to the survey had a workforce of over 250 people. This representation of businesses responding to the survey is reflective of the overall business landscape in the Northern Ireland-Ireland border region in terms of the sizes of businesses by the number of employees, and highlights the fact that whereas there may be a large number of smaller enterprises employing less than ten people, the region also includes a range of larger companies, including some employing over 250 workers.

Chart 17: % of respondents by number of employees



The nature of the main economic activity of the businesses that responded to the survey was wide ranging, as can be seen in Chart 18 below, but with the highest number of participating firms coming from the production and retail sectors (both with 13.5%). The representation of businesses from these sectors, as well as 6.3% respondents to the EURES survey coming from the construction sector, is generally in line with the overall economic profile of the Northern Ireland-Ireland border region suggested by the data analysed earlier in this report.

Chart 18: % of respondents according to nature of business activity



However, as the chart shows, 9.1% of respondents to the survey were from businesses involved in professional, scientific and technical services, with equal representation from businesses in the financial and insurance services sector, which are generally underrepresented areas of activity in the Northern Ireland-Ireland border region, especially on the Northern Ireland side. Given that such businesses, whilst small in number, may employ significant numbers of workers, they should be viewed as potential generators of higher-skilled and of higher wage-earning in the region.

The vast majority (93.6%) of the firms who responded to the EURES survey were located in the Northern Ireland-Ireland border region, with only a small number of isolated cases of respondents describing themselves as based outside the region. Within the border region, the majority of responses came from the North West, with 33.3% from Donegal and 23.4% from Derry/Londonderry. 20.7% of responses were received from Co. Louth, followed by Co. Down with 10%.

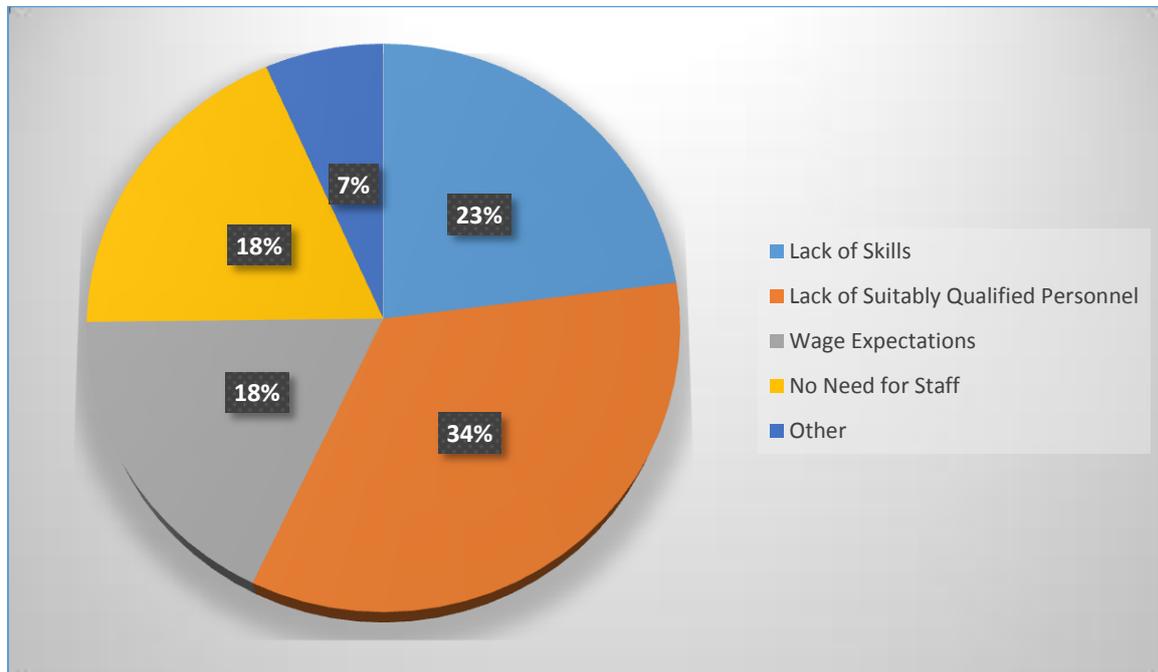
8.2. Staff recruitment

Of the businesses responding to the survey, 77.5% stated they had recruited staff in the past 12 months, while 68% stated that they plan to recruit in the next 12 months. The most active sectors in the recruitment of labour were retail, production, and professional, scientific and technical, both in terms of recruiting new staff in the last year and in their intentions to recruit further staff over the next 12 months. Financial and insurance services also noted some significant activity in recruitment of staff over the past 12 months, but with a potential reduction in that activity in the coming year, with a similar process being seen in education enterprises. Although not as intensively involved in recruitment of staff as the other sectors referred to, agriculture and construction businesses foresee the same levels of need for new staff in the next 12 months as over the last 12.

In assessing the barriers that these businesses face in recruiting workers, the EURES survey identified common obstacles across a range of businesses from different sectors. 34% of

firms identified a lack of suitably qualified candidates, while 23% of firms identified a lack of relevant skills as a challenge to recruitment for their businesses, as can be seen in Chart 19.

Chart 19: Most significant barriers to recruitment of staff



The lack of suitably qualified candidates appeared to be particularly acute for businesses in the information and communication sector, and for businesses with professional, scientific and technical activities. This would seem to reinforce the significance of data analysed earlier in this report that showed comparatively low levels of educational attainment and qualifications in the border regions compared with the overall levels in both jurisdictions. Additionally, businesses in the hospitality and food services sector reported how low levels of retention of staff within the sector meant it was difficult to find candidates with sufficient experience to fill more senior roles or roles requiring more significant experience.

Of those businesses who responded that they had not encountered any significant issues in relation to recruitment of staff, some nevertheless posed the potential for disruption to their ability to recruit due to the UK's withdrawal from the European Union. A retailer employing more than 50 staff judged this to be a "serious threat".

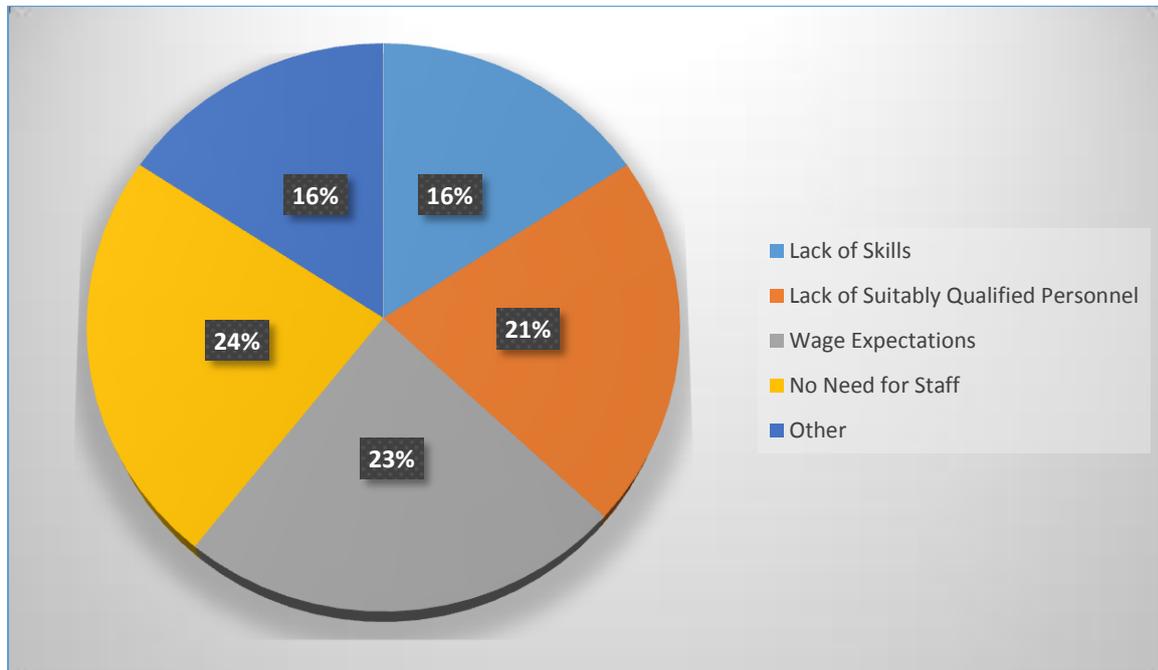
8.3. Cross-border workers and recruitment

Over half (56%) of businesses that responded to the EURES survey stated they employed staff normally resident in the other jurisdiction. The majority (87%) employed less than ten people, reflective of the overall business landscape on the island of Ireland. However, respondents to the survey who indicated they employed staff who crossed the border to work also reflect the fact that the Northern Ireland-Ireland border region contains significant areas where the percentage of larger businesses is higher than the overall figure for the two jurisdictions. Thus, 9% of respondents were from businesses employing between 10 and 49 people, and 4% were from enterprises employing between 50 and up to more

than 250 workers, making these not just major employers in the region, but major employers of cross-border workers.

While, as Chart 20 shows, the respondents identified many of the same barriers to the recruitment of cross-border workers to their firms as to general recruitment, there were some differences in their relative importance.

Chart 20: Most significant barriers to recruitment of cross-border workers



While 24% of respondents stated they currently had no need to recruit, 23% of businesses stated that wage expectations were a problem. This represents a 6% increase in relation to the significance of this barrier to general recruitment and has a bearing on an issue identified earlier in this report, which was also highlighted in the 2019 report for the European Parliament on [“Employment barriers in border regions”](#). That it is the prospect of something better that makes people choose to work across the border, in this case higher wages than on their side of the border.

In comparing the obstacles that businesses, responding to this survey, have with general recruitment to barriers they encounter with cross-border recruitment, the results show a decrease in the number of firms that identify lack of skills and lack of qualified personnel as a problem in recruiting cross-border workers. This points to one of the key benefits of recruiting across borders – access to a wider pool of suitably skilled and qualified potential candidates. The importance for businesses in the Northern Ireland-Ireland border region of recruiting from a wider cross-border pool could be seen as of added relevance given what has been noted before in this report in terms of the lower percentages of the population in the region possessing higher qualifications.

However, while perhaps to a lesser degree than is the case with general recruitment, there is still a significant issue identified in the EURES survey with lack of skills and lack of suitably

qualified personnel available to cross-border employers. Taking the two issues together, 37% stated them as being major barriers to cross-border recruitment. An employer of 250+ cross-border workers in the production sector stated that the biggest issue for the business was the lack of skills and especially training opportunities for the industry. This means a constant demand for skilled machinists, graphic artists and administrators that cannot be fully met.

Respondents to the survey also raised specific concerns regarding the potential impacts of the UK's departure from the EU on their ability to recruit cross-border workers. These included currency fluctuations that would make their businesses less attractive to potential candidates from the other jurisdiction, issues relating to the recognition of training qualifications, added complications from differences in tax regimes in the two jurisdictions, and obstacles resulting in delays to cross-border travel.

There were some differences in relation to how respondents viewed Brexit, depending on which side of the border their businesses were located. A number of businesses in Northern Ireland noted that they were already encountering some reductions in the numbers of job applicants from the Republic of Ireland, which they saw as being due to the uncertainty Brexit was creating, meaning that some jobseekers from across the border may be reluctant to commit to working in a business in Northern Ireland. Others also referred to how their business could be negatively impacted by obstacles to recruitment of workers from elsewhere in the EU, on which they currently relied heavily. In contrast, some businesses in the Republic of Ireland, far from seeing Brexit having a negative impact on their ability to recruit workers from across the border, actually saw it as presenting an opportunity to attract more cross-border employees.

These concerns underline the need for jobseekers, workers and employers to be provided with relevant, authoritative and updated information that can mitigate some of the uncertainties expressed, dispel misunderstandings, and highlight the opportunities that will continue to exist.

9. Conclusions

In considering what the current cross-border mobility landscape means for potential decisions on how to support jobseekers, workers and employers in the Northern Ireland-Ireland border region, it is important to identify underlying issues whose resolution lies outside the region. However, there are certain characteristics of cross-border mobility that may require strategic decisions by those more closely involved in supporting such mobility, and it is these that will be addressed first.

Although according to the results from the 2016 Census in Ireland overall numbers of cross-border commuters may have declined from 2011, the importance of cross-border commuting for the purposes of work actually increased, with the decline in overall numbers being due to a fall in those crossing the border to study. This indicates a continuing need to provide support to jobseekers, workers and employers in the Northern Ireland-Ireland border region.

However, the available data on those crossing the Northern Ireland-Ireland border to work suggests that whereas all of the five LGDs/NUTS 3 areas in Northern Ireland within the Northern Ireland-Ireland border region merit continued and perhaps even additional support to cross-border labour mobility, consideration should be given to how much and what type of resource should be committed to similar efforts in Counties Sligo and Leitrim. Sligo in particular does not appear to be a site from which significant numbers travel to Northern Ireland to work, nor one to which many from Northern Ireland travel for purposes of employment. Leitrim on the other hand, while it does not seem to attract many cross-border workers from Northern Ireland, nevertheless provides a number of workers to Northern Ireland, particularly Fermanagh & Omagh.

The survey of businesses undertaken by the EURES Cross Border Partnership underlines the vital importance of supporting businesses in the Northern Ireland-Ireland border region to widen their recruitment activities on a cross-border basis. By supporting businesses to do this will contribute to addressing the difficulties businesses encounter in recruiting suitably qualified and skilled staff in a region where, particularly in terms of educational outcomes, the population lags behind the overall picture within the two jurisdictions. This will be of even greater importance to sectors with significant growth potential in the region, such as (but not exclusively) information and communication, professional, scientific and technical services, financial and insurance services, and production, where growth is dependent on access to skilled and qualified staff.

Appendix

Questions from the EURES Cross Border Employer Survey

1. **If you are willing to proceed with the survey, please click “Yes” below.**

2. **Approximately how many employees does your business employ?**

1. 0
2. 1-9
3. 10-49
4. 50-249
5. 250+

3. **Which of the terms below best describes the nature of your business?**

1. Agriculture, forestry and fishing
2. Production
3. Construction
4. Motor trades
5. Wholesale trades
6. Retail trades
7. Transport and storage
8. Accommodation and food service activities
9. Information and communication
10. Financial and insurance activities
11. Property
12. Professional, scientific and technical activities
13. Business administration and support services
14. Public administration and defence
15. Education
16. Human health and social work activities
17. Arts, entertainment, recreation and other services
18. Other

4. **Where is your business mainly based?**

1. County Antrim
2. County Armagh
3. County Derry/County Londonderry
4. County Donegal
5. County Down
6. County Fermanagh
7. County Leitrim
8. County Louth
9. County Cavan
10. County Monaghan
11. County Tyrone
12. Other

5. **Have you recruited any staff in the past 12 months?**
1. Yes
 2. No
6. **Approximately, how many staff did you recruit in the previous 12 months?**
1. 1-9
 2. 10-49
 3. 50-249
 4. 250+
7. **Do you plan on recruiting staff in the coming 12 months?**
1. Yes
 2. No
8. **Which of the following would you say are the biggest barriers to recruitment for your firm? You can select as many options as are relevant and also add any reasons not included in this list.**
1. Lack of skills
 2. Lack of suitably qualified personnel
 3. Wage expectations
 4. No need for staff currently
 5. Other
9. **Do you employ any staff who are normally resident on the other side of the border? (for example, your company is based in Strabane and you have employees who live in Lifford)**
1. Yes
 2. No
10. **Approximately, how many cross-border employees does your company employ?**
1. 0
 2. 1-9
 3. 10-49
 4. 50-249
 5. 250+
11. **Which of the following would you say are the biggest barriers to recruitment of cross border workers in your firm? You can select as many options as are relevant and also add any reasons not included in this list.**
1. Lack of skills
 2. Lack of suitably qualified personnel
 3. Wage expectations
 4. No need for staff currently
 5. Other

12. We would be grateful if you could use the space below to enter any comments or concerns regarding cross-border employment regardless of whether or not you currently employ people from any other part of the EU. We want to identify factors which will help match up employers with the best possible candidates available so any advice or ideas you might have will be greatly appreciated.

13. If you would like to be contacted by a EURES adviser who will be able to provide advice and assistance in relation to any issues with Cross-Border Employment free of charge; please use the space below to enter your company name and a suitable e-mail address for us to be able to set up a meeting. If you do not wish to be contacted at this time - please click on the 'Finish Survey' link below