

**Sir George Quigley Memorial Lecture
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***The Role of Social Dialogue
in Underpinning Prosperity on the Island of Ireland***

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Introduction

April 2023 marked the 25th anniversary of the Belfast/Good Friday Agreement (BGFA). The Agreement has brought incalculable benefits in terms of the reduction in violence and deaths both on the island of Ireland and in Britain. As a direct result of this peace, other benefits such as a growing prosperity and improved quality of life were also achieved. This peace dividend has been witnessed by the business community through the last two and a half decades in substantial ways, which have benefitted their ability to invest and grow on the island and globally.

To coincide with the anniversary, Ibec ran a campaign 'For Peace and Prosperity' with business and political stakeholders on the island of Ireland, in Britain and in Brussels, which illustrated the role that business played in perpetuating peace and prosperity in Ireland and Britain. The campaign aimed to facilitate a reflective, thoughtful and inclusive conversation on the positive impact that the BGFA had had on these islands and highlight how the stability brought about by the BGFA has enhanced the economies of Ireland, and Northern Ireland, embedding economic success in a new totality of relationships.

The All-Island Economy: A Context of Peace + Prosperity

Businesses have long recognised that there were North/South opportunities of mutual benefit. In 1992, Sir George Quigley, at a Confederation of Irish Industry conference, promoted the idea of the all-island economy. He suggested that following the creation of the Single Market, "the European Community should regard the island of Ireland as one economic area... and support the idea of developing a Belfast/Dublin Economic Corridor." Following the ceasefires

and the Belfast/Good Friday Agreement, it became increasingly possible to explore and deliver on these opportunities of mutual benefit.

Since 1973, Ibec has been involved with the all-island business community, including through our Joint Business Council with CBI Northern Ireland, in facilitating the dialogue between business leaders in both jurisdictions.

In the five decades since, the joint work of the business communities has constructively informed and supported the development envisaged in Strand Two of the Belfast/Good Friday Agreement for North/South cooperation to develop trade, critical transport and infrastructure, skills, supply chains, regulatory regimes, and markets in order that both jurisdictions would fully benefit from the scale of the all-island economy.

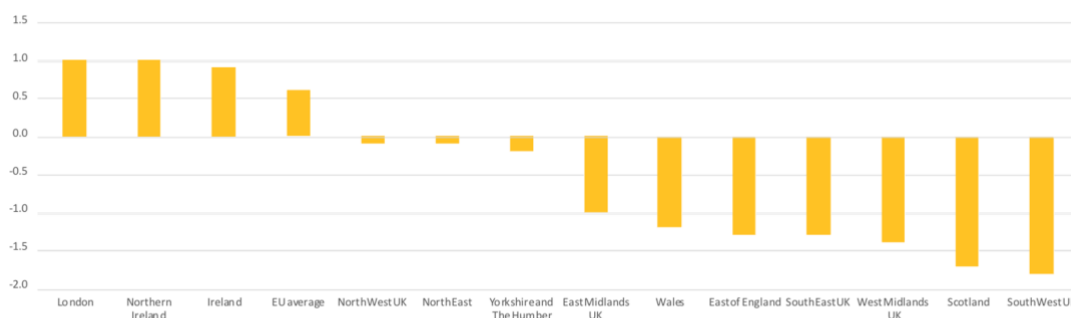
The economic benefits of peace and stability are multiple;

- A more stable place to invest
- A more attractive place to live and work
- Growth of all island trade and brands
- More joined-up all island policy and planning

It is known that stability is a pre-requisite for both foreign direct investment (FDI) and indigenous business investment. That is why multinational companies created 11,000 jobs in Northern Ireland during the period from 1966 to 1971 but just 900 jobs in the following five years, as the campaigns of violence intensified. It is also why, with the signing of the BGFA, record levels of capital investment and job creation in the all-island economy would not have occurred without the peace & stability it supported.

A more stable place to invest

Change in share of employment in high-technology and knowledge intensive sectors, 1999 to 2019

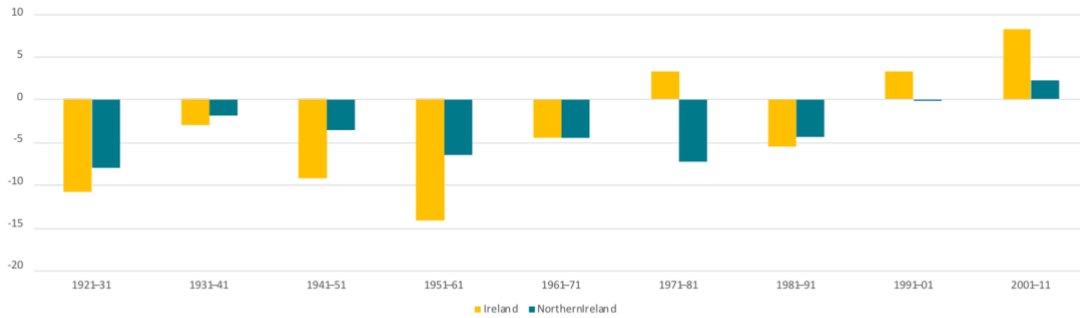


Prior to the advent of a lasting peace, the all-island economy was suffering a damaging brain drain. In the 25 years since the BGFA, flow of talent has become even more important in

determining location of economic activity. The all-island economy labour force provides scale opportunities for investment and the changing nature of work bringing further opportunity to extend benefits of all island labour market opportunity.

A more attractive place to live and work

Net migration by decade, per 1,000 population

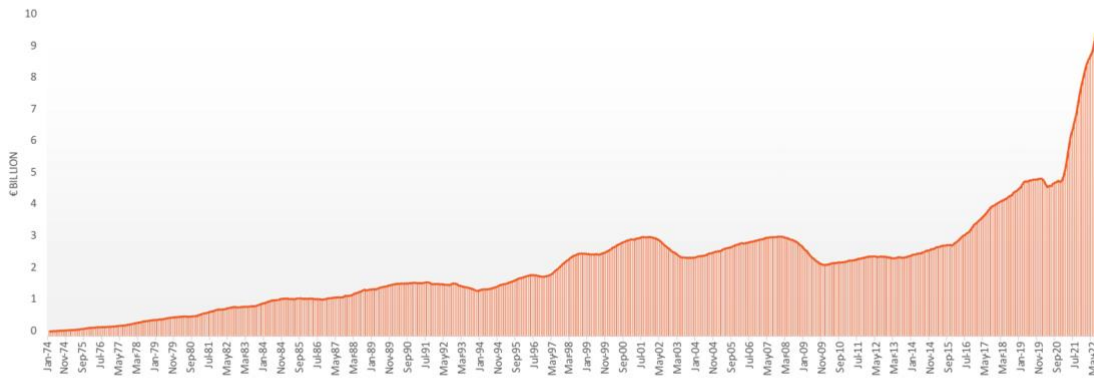


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Now, all island supply chains much more integrated and the benefits of economies of scale are evident across many sectors. Island of Ireland global brand reach across sectors from tourism to food and drink and cross-border trade is at historically high levels.

Growth in all island trade and brands

Total value of cross-border goods trade, 1974 to 2022

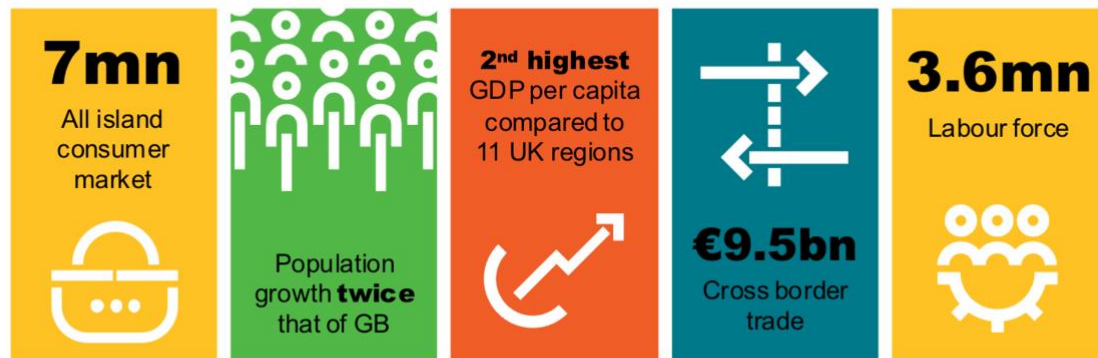


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The BGFA has brought with what could be described as “infrastructural benefits” also, including investment in new all island assets with shared benefits, increased benefits from existing infrastructure, enhancement of the asset base to maximise the benefits of the

economies of scale and substantial business and economic benefits as a result of the continued memberships of both jurisdictions of the European Single Market.

The all island economy in 2023



Stakeholder Capitalism the New Paradigm

When business looks to its stakeholders, as opposed to a narrow prism of shareholders, we recognise the wider community and society. As business leaders, we also have stakeholders as customers, suppliers and, crucially, our colleagues and employees.

The term stakeholder capitalism, emerging from entities like the US Business Roundtable, has led to the replacement of shareholder value with stakeholder value as a predominant business imperative.

These stakeholders must also be considered as cross-jurisdictional in the context of the all-island economy. All business leaders will need to be sensitive to the post-Brexit world, and the Ireland/Northern Ireland Protocol in particular, where the dimensions of stakeholders right across the island need to be factored into business considerations.

It is far too short-sighted to think that the jurisdictional borders of the island will determine the spillovers on some of the great challenges of our time.

The need for Social Dialogue

The Agreement itself foresaw the need for inclusiveness and the involvement of stakeholders. Under Strand Two, Subsection 19 it states “Consideration [should] be given to the establishment of an independent consultative forum appointed by the two Administrations representative of civil society, comprising the social partners and other members with expertise in social, cultural, economic and other issues”.

Social dialogue, of course, is not a social partnership of old. Social partnership in Ireland was about centralised wage bargaining and tax cutting underpinned by industrial peace. It provided the opportunity for individuals to stay in or return to Ireland, reversing the trend of immigration that unsustainably existed for generation after generation.

Having a stake, that is being a stakeholder, in Irish society should not be assumed to be inevitable. It is the business model, amongst other things, that has allowed people to have a stake in our society and to stay, if they want, to build a family, to build a career, to build a future.

Social dialogue will facilitate the mediation of these trade-offs, be that in the sharing of the island, the just transition from the environmental changes, or changes in and improvement to how the labour market operates and the how pay bargains get determined.

The Labour Market as Prototype

With business leaders professing a desire to move to stakeholder value in all its guises, dialogue with employees will be a particularly significant one in Ireland. As part of the Programme for Government, the coalition parties have established a social dialogue model under the remit of the Labour Employer Economic Forum (LEEF). Ibec is the lead business organisation at that forum, along with the Irish Congress of Trade Unions. LEEF is chaired by An Taoiseach, with the wider Cabinet also attending.

Among the features LEEF is discussing are statutory sick pay, remote working, right to disconnect etc. However, increasingly the issue of how to determine the terms and conditions of employment, be those wages, entitlements, pensions or leave arrangements, is increasingly seeking a forum that can be best described as one to deliver collective agreements.

The future of the social dialogue and prosperity on the island of Ireland

It is worth considering the incredible asset that the all-island economy is – and its huge potential for the delivery of further prosperity. A market of seven million people, with population growth twice the rate of Great Britain. A labour force of 3.6 million, €9.5 billion worth of cross border trade. The highest GDP of all regions but one in these islands.

In the spirit of stakeholder capitalism – as envisaged in the text of the Agreement itself – we can look to social dialogue to deliver on making the island more attractive place to live and work, on boosting all island investment and reboot North-South economic cooperation, especially since Brexit. With the mechanisms for social dialogue in place, the creation of high-quality employment opportunities will help raise the standard of living across jurisdictions as economic conditions improved.

Conclusion

At the time of the signing of the BFGA, citizens on both sides of the border were expected to benefit from more 'joined up' and efficient public service provision in fields such as health, education, and security.

A larger population was also predicted to attract additional investment (both foreign and indigenous).

We now have the opportunity to make good on those hopes.

By making the island a more attractive place to live and work; a more stable place to invest; by allowing for the growth of all-island trade and brands; and by integrating infrastructure in key areas, the island has benefitted economically from peace, although Northern Ireland has still to realise the full potential dividend.

While it is impossible to put a single number on the scale of the peace dividend, the results are clear: the peace and consequent stability which has followed the BGFA allowed for greater prosperity across the island.

While that peace dividend is significant, there remain further opportunities of mutual benefit which the Irish business community will continue to pursue in the coming decades. Peace on the island underpinned by the BGFA has been central to prosperity and the success of many businesses. Business and civil society must, therefore, play a central role in the further development of an all-island economy which has the evolving principles of the BGFA at its core.

Social dialogue can make that happen. Business leaders working with trade union leaders could come to a collective response to underpin not just peace but also the immense opportunities presented by globalisation, specifically the unique trading position of Northern Ireland being both part of the EU Single Market and the UK economic area, for underpinning prosperity for future generations of those who call the island of Ireland, home.