



## **Scottish Government & Government of Ireland**

Consultation response

### **Strategic Review of Irish-Scottish Relations**

The Scottish Council for Development and Industry (SCDI) is Scotland's Economic and Social Forum. We are an independent and inclusive economic development network representing all sectors and all geographies of the Scottish economy. Our mission is to convene our members, partners and stakeholders across the private, public and third sectors to deliver inclusive and sustainable economic growth for Scotland.

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## **Summary**

Relations between Scotland and Ireland are important for our respective societies and economies. From diaspora, family and culture to business, trade and academia, the social, economic and political links between us are deep, historic and strong.

An estimated 1.5 million people in Scotland have Irish heritage. Over 25,000 Irish nationals live in Scotland. Over 1,800 Irish students study at Scottish universities every year.

Ireland is Scotland's 5th largest export market worth £1.5 billion (or 4.5% of our total exports). It is increasingly important that the Scotland-Ireland economic relationship is strengthened, particularly in the context of the UK's withdrawal from the European Union.

The key opportunities for the Scottish Government to focus on to maximise the Scotland-Ireland relationship or work with the Government of Ireland – alongside the UK Government and the Northern Ireland Executive – are:

- **Trade:** Supporting businesses to deliver the ambitions of the Scottish Government's Export Growth Plan, which identifies Ireland as a key target market for growth.
- **Infrastructure:** Supporting increased connectivity, trade and investment between Scotland and Ireland by investing in the upgrade, resilience and expansion of key road, rail and ferry infrastructure in, to and from South West Scotland.
- **Clean Growth:** Supporting Scottish academia and industry to develop and internationalise Clean Growth technologies, innovations, expertise and partnerships for export or exchange, including with Ireland, in the transition to net-zero.
- **Diaspora:** Scotland can learn from Ireland's mature and highly successful efforts to engage with and leverage its global diaspora to increase tourism, trade and investment.

### **1. How would you characterise relations between the two countries?**

#### **Very positive**

Fairly positive

Neutral

Not great

Poor

### **2. How important is the Scotland-Ireland relationship in terms of...**

#### **a. Shared business and economic interests – including tourism:**

##### **Very – we need to collaborate on this with specific focus, for both our benefit**

Quite – we need to maintain neighbourly connections

Not really – this connection isn't any more important than with other neighbouring countries

#### **b. Shared community and diaspora and links – including sport:**

##### **Very – we need to collaborate on this with specific focus, for both our benefit**

Quite – we need to maintain neighbourly connections

Not really – this connection isn't any more important than with other neighbouring countries

**c. Shared cultural experience and exchange:**

Very – we need to collaborate on this with specific focus, for both our benefit

**Quite – we need to maintain neighbourly connections**

Not really – this connection isn't any more important than with other neighbouring countries

**d. Shared interest in sustaining rural, coastal and island communities:**

Very – we need to collaborate on this with specific focus, for both our benefit

**Quite – we need to maintain neighbourly connections**

Not really – this connection isn't any more important than with other neighbouring countries

**e. Shared academic, educational and research links:**

**Very – we need to collaborate on this with specific focus, for both our benefit**

Quite – we need to maintain neighbourly connections

Not really – this connection isn't any more important than with other neighbouring countries

**f. Shared government, official and policy links:**

**Very – we need to collaborate on this with specific focus, for both our benefit**

Quite – we need to maintain neighbourly connections

Not really – this connection isn't any more important than with other neighbouring countries

**3. Thinking of the next 5 years, do you see the relevance of the Ireland-Scotland relationship...?**

***Increasing***

Remaining about the same

***Decreasing***

In the context of the UK's withdrawal from the European Union, it is more important than ever that Scotland and Ireland strengthen our relationship as friends, neighbours and partners. Both countries can also learn from each other given some of the similar challenges of rurality, demography and migration which we both face.

It is therefore welcome that the Scottish Government and the Government of Ireland have launched this joint Strategic Review of Irish-Scottish Relations to explore future opportunities and assess shared challenges in a spirit of close bilateral cooperation. It is also important that the Scottish Government and the Government of Ireland work together with the UK Government and the Northern Ireland Executive to do so and to strengthen UK-Ireland ties.

**4. Looking ahead, where would you expect to see the Irish-Scottish economic relationship expand?**

**Energy**

**Tourism**

Services and expertise

**Technology and information and communications technology (ICT)**

Finance

**Agri-food**

Other – Please specify

**Contact with Scottish Government or Government of Ireland**

**5. Have you had recent contact with the Consulate General of Ireland in Edinburgh?**

Yes

No

If so, what was the nature of this contact?

- Passport
- Citizenship
- Consular assistance
- Attendance at an event
- Organisation of an event
- Other

**6. Have you had recent contact with the Scottish Government Office, Dublin?**

Yes

No

If so, what was the nature of this contact?

**7. From what perspective do you wish to contribute your views for the rest of the questionnaire?**

- Based in Ireland
- Based in Scotland**
- Based elsewhere, but with an interest in the Ireland-Scotland relationship

**Shared Themes**

**8. Business and economic interests...**

- a. *From your experience, what connections and associations currently exist between the two countries with reference to this theme? What influences these connections today?*

The business and economic connections between Scotland and Ireland are significant. Ireland is Scotland's 5th largest export market. In 2017, £1.5 billion worth of exports (or 4.5% of our total exports) left Scotland for Ireland, supporting large numbers of jobs and contributing to vibrant communities.

The ports of Stranraer and Cairnryan are key economic arteries of national importance for the flow of people, goods and services from Scotland to Ireland via Northern Ireland, which is an important partner region for both sides. These ports play an important role in connecting Scottish businesses to Irish markets; connecting Irish business to European mainland markets via Scotland's East Coast ports; and supporting tens of millions of pounds worth of trade. It is therefore critical that their road and rail links are fit for purpose to increase resilience to climate change and support export growth. A number of important proposals are under consideration by Transport Scotland in its South West Scotland Transport Study, such as the A77 and A75.

Ireland will and should remain a key market and focus of activity for Scotland. Despite the forces of globalisation which have greatly expanded global trade, most trade still occurs in

relatively close geographical proximity between neighbouring countries or within regions in line with the so-called ‘distance effect on bilateral trade’.

Data from the World Trade Organisation consistently indicates that trade flows within regions are significantly larger than trade flows between regions due to very practical reasons. Trade between neighbouring countries tends to minimise non-tariff barriers to imports and exports because of shared language, shared culture, similar domestic policies or regulations, lower transport times and lower transport costs – of which Scotland and Ireland are a particularly clear example. The EU – and within that key partners such as Ireland – will remain the priority market for Scotland’s exporters.

- b. From your experience, what expertise can the two countries share with regard to this theme? Are there exemplars or best practice collaborations you can identify?*

Ireland and Scotland are both open economies. Ireland has been highly successful in attracting foreign direct investment and multinational employers, which has been a key driver of its economic recovery, increased productivity, higher incomes and better living standards for a highly educated workforce.

Scotland can learn from this success to increase productivity and earnings, building on its existing strengths as the most attractive nation or region for inward investment in the UK outside of London and the South East of England. By developing closer relationships and sustainable partnerships with global businesses, Scotland can do more to attract investment, create jobs, increase productivity and deliver inclusive growth.

Equally, however, there should be recognition of the fact that Scotland and Ireland may often be competitors for inward investment, and that Scotland will seek to develop its own socio-economic model which reflects its own economic needs and democratic preferences.

Practically speaking, business often leads the way. One example is Causeway Ireland Scotland Business Exchange, which is a network connecting professionals on both sides of the Irish Sea to facilitate business growth and collaboration.

- c. Thinking about future collaboration between the two countries on this theme, where do you see most potential? How would stronger collaborations be supported?*

The Scottish Government will need to work with the UK Government, and act in partnership with others internationally such as the European Commission and the Government of Ireland, to maintain access and minimise new tariff and non-tariff barriers in key markets for Scotland’s exporters.

The Scottish Government’s Export Growth Plan, *A Trading Nation* (2019), identifies Ireland as key growth opportunity and target market for Scotland to support our ambitious export targets. The Scottish Enterprise Economic Trends Survey suggests up to 10% of employers in Scotland also identify Ireland as an important opportunity for their business. This represents a significant opportunity for the Scottish economy as a whole to capitalise on to support internationalisation and inclusive growth.

Scotland needs to take action to maximise its opportunities for Clean Growth, exporting our expertise and technologies, whether from academia or industry, to help partner countries to reduce their own emissions. SCDI’s **Clean Growth Leadership Group** has been launched to convene the private, public and third sectors to explore these opportunities.

The Blue Economy is a key sector in which Scotland and Ireland both have strengths and opportunities, including in offshore energy from wind to hydrogen, sustainable food production, marine tourism and a fledgling seaweed industry.

## **9. Community and diaspora links...**

- a. *From your experience, what connections and associations currently exist between the two countries with reference to this theme? What influences these connections today?*

Over many centuries, migration in both directions has forged strong links between two countries which are geographically close and have much in common. The Irish diaspora in Scotland is large and culturally influential. An estimated 1.5 million people in Scotland have Irish heritage. Over 25,000 Irish nationals live in Scotland. There is also a substantial Scottish diaspora in Ireland. These community and diaspora links encourage tourism and trade between Scotland and Ireland.

- b. *From your experience, what expertise can the two countries share with regard to this theme? Are there exemplars or best practice collaborations you can identify?*

There is an opportunity for Scotland to learn from Ireland to better engage with and leverage its global diaspora to increase tourism, trade and investment, including through action by Scottish Enterprise to reinvigorate the Global Scot network, and to attract back people who had left to live and work in the country. Ireland's campaigns in these areas are mature and have been highly successful.

## **10. Rural, coastal and island communities...**

- a. *From your experience, what connections and associations currently exist between the two countries with reference to this theme? What influences these connections today?*

Both Scotland and Ireland are geographically on the periphery of Europe with large numbers of rural, coastal and island communities which rely on often complex or unreliable connectivity by land, sea and air to facilitate economic activity and access lifeline services.

- b. *Thinking about future collaboration between the two countries on this theme, where do you see most potential? How would stronger collaborations be supported?*

Both countries may be able to share innovation and net-zero solutions to improving connectivity for rural, coastal and island communities. There may also be opportunities to jointly explore how to invest in increasing connectivity directly between Scotland and the Republic of Ireland in partnership with the Northern Ireland Executive.

## **11. Academic, educational and research links...**

- a. *From your experience, what connections and associations currently exist between the two countries with reference to this theme? What influences these connections today?*

Over 1,800 Irish domiciled students study at Scottish universities every year, contributing to their diverse and outward-looking culture. More students attend the University of Glasgow from Ireland than from any other EU country outside of the UK. Smaller numbers of Scottish students study at Irish universities.

- b. From your experience, what expertise can the two countries share with regard to this theme? Are there exemplars or best practice collaborations you can identify?*

Universities are key hubs of innovation and engines of growth for the economy. Many of the innovation solutions to reduce carbon emissions and support the transition to net-zero will originate in or be developed by academia. As a global leader in renewable energy and academic research, Scotland has significant expertise to share.

- c. Thinking about future collaboration between the two countries on this theme, where do you see most potential? How would stronger collaborations be supported?*

Scotland needs to take action to maximise its opportunities for Clean Growth, exporting our expertise and technologies, whether from academia or industry, to help partner countries to reduce their own emissions. SCDI's **Clean Growth Leadership Group** has been launched to convene the private, public and third sectors to explore these opportunities.