

## Collateral damage? The potential impact of Brexit on Ireland

On 29<sup>th</sup> April, the 27 remaining EU member states (EU27) will meet in a specially-convened Council summit to discuss its 'process of divorce' from the United Kingdom. The Irish Taoiseach (Prime Minister) will approach these talks with particular trepidation. Ireland's own marriage to the European Economic Community (EEC, now European Union) in 1973 was made all but inevitable by the UK's decision to apply for membership. At that time, Ireland was still heavily reliant on its closest neighbour; the UK was still the [destination](#) for 55% of its exports and for a large proportion of its emigrants. Economically, socially and culturally the fortunes of the smaller state were very much tied to its former coloniser. The most obvious legacy of the close and complicated modern history of the two lay in the existence of the border across the island, leaving Northern Ireland as a remnant of competing British and Irish nationalisms.

Although Ireland joined the EEC in part because of its historical dependence on Britain, the move transformed the two nations' relationship. As fellow member-states, they were now on an equal footing, and over time their partnership became more constructive and mutually-confident. The 1998 Agreement that accompanied the successful outcome of multi-party peace talks in Northern Ireland, ending the 'Troubles', reflected these changed dynamics. [Citing](#) 'the unique relationship between their peoples and the close co-operation between their countries as friendly neighbours and as partners in the European Union', the two governments established unique institutions to facilitate closer collaboration across UK/Ireland borders in areas of common interest. The [British-Irish Council](#), for example, meets in summit and sectoral formats to cooperate on matters of mutual interest, many of which relate to areas of EU competence (e.g. environment, minority languages, transport). In addition to this are the bodies that work on an all-island basis to facilitate territorial cooperation, such as the Food Safety Promotions Board ([SafeFood](#)) or the [Special EU Programmes Body](#). The EU itself has been both a model and a driver for such cooperation.

So common EU membership has meant that, albeit with different priorities and interests, Ireland and the UK have been heading in broadly the same direction: that of

closer integration. The normalisation of cross-border cooperation through European integration is evident on both sides of the Irish border and, indeed, across the Irish Sea. It has been a long and multilevel process, with each step holding particular significance for the Irish border region: the removal of customs posts and reduction in non-tariff barriers to trade, harmonisation of standards, large-scale infrastructural development (including cross-border transport links), local authority collaboration on joint projects, equal treatment of frontier workers, and consumer protection for cross-border shoppers. Outside of common EU membership, and with the inevitable divergence in British and Irish policy and law, it will be an extraordinary challenge to accommodate the complexity of such integration.

British efforts to assuage Irish concerns about the impact of Brexit have rested on plans to protect the Common Travel Area between these islands and to maintain a 'seamless, frictionless' Irish land border. Whilst welcome, neither of these would go far in reducing the harm caused to Ireland by the UK's exit from the EU. Although the UK is now the destination of only 12% of [Ireland's](#) exports (worth 3% of the [UK's](#) imports), it is the source of some 28% of its [imports](#) (worth 5% of UK exports). Already, Ireland is feeling the negative effects of Brexit. Since the June referendum the UK pound has slumped, meaning a boost to retail and hospitality businesses on the northern side of the border and cheaper imports from the UK, at a loss to businesses in the south. Anticipating longer-term economic effects, the Irish Department of [Finance](#) has introduced preliminary budgetary measures, noting that those sectors most exposed by Brexit are those already vulnerable: 'generally comprised of indigenous enterprises that are small in scale, are highly linked to the rest of the economy, have high levels of regional employment, and have relatively low profit levels'. In recognition of these risks, some commentators have raised the prospect of an '[Irexit](#)'. However, such calls have remained politically and culturally marginal, in a country that boasts the highest levels of [optimism](#) about the EU's future.

It's not all doom and gloom. Brexit is likely to bring Ireland some indirect benefits too: more corporations, workers and students looking for an English-speaking European base could bring considerable economic growth, notwithstanding additional pressure on already-creaking resources (most particularly in housing and health service

provision). However, these pale in comparison against a background of profound economic and political uncertainty. The 'divorce' of the UK from the EU threatens to destabilise the very foundations of carefully-won respect and compromise between the neighbouring countries. This is most evident in the current crisis in Northern Ireland, where the 19-year-old power-sharing agreement between mainly Catholic nationalists (who identify with Ireland) and mainly Protestant unionists (who identify with Britain) is in peril.

A snap election in the devolved Northern Ireland Assembly on 2 March 2017 saw the unionists losing their majority for the first time in history. It also resulted in a growing polarisation of political positions, as both unionists and nationalists have issued incompatible 'red lines' for going back into power-sharing arrangements with each other. The Irish government now finds its diplomatic energies increasingly drawn into attempting to stabilise the peace process in the north. The fact that those born in Northern Ireland automatically hold the right to Irish citizenship means that the Republic has a very direct interest in the region's post-Brexit arrangements. Irish domestic politics are also deeply affected by tensions in the peace process. The Irish government is treading a tightrope in attempting to act both as loyal EU member-state and as strong ally of the UK (on behalf of Northern Ireland). As it does so, it is feeling the heat from its political opponents, Sinn Féin and Fianna Fáil, both of which are proud of their Irish republican credentials and which have expressed their support for Irish unification as a reaction to a 'hard' Brexit.

Indeed, republican Sinn Féin is the second most popular party in both [Northern Ireland](#) and the [Republic of Ireland](#), making it a uniquely powerful political force on the island. Conscious of this, the main party in the Irish government, Fine Gael, have reminded the UK and the EU27 of their legal obligation (in accordance with the 1998 Agreement) to facilitate Northern Ireland's unification with the Irish Republic if a majority in referendums in both jurisdictions demand it. However, any talk of Irish unification risks stirring tensions and sensitivities. And if British unionists and Irish nationalists continue to refuse to compromise, there will be no way to restore the devolved powers granted to Northern Ireland by the 1998 Good Friday Agreement. As a consequence, the work of the British-Irish and North-South cross-border institutions of the Agreement will also be

effectively suspended, leaving very little to counter the polarising effects of Brexit across these islands.

It has been of prime importance to the peace process in Northern Ireland that cross-border integration has centred on evidential, practical benefit so as to defuse nationalistic claims of threat or gain on either side. The very logic of Brexit, however, is to 'take back control' of borders, to repoliticise the issue of transnational cooperation, and to present integration as the opposite of sovereignty. The momentum is towards conflict. If the Brexit divorce proceedings are messy and hostile, the first victim will be vital political nuance, the second may be hard-won peace. In a true test of European solidarity and creativity, the reaction of its fellow member-states will be critical. Having demonstrated the remarkable 'soft power' of enduring commitment to peace and prosperity on the island of Ireland, the European Union cannot afford to let Ireland pay the highest price for the UK's nationalistic decision.

### **The Author**

Dr Katy Hayward is Senior Lecturer in Sociology and Senior Research Fellow in the Senator George J. [Mitchell Institute](#) at [Queen's University Belfast](#). She is also a Board member of the [Centre for Cross Border Studies](#) and the author of over 80 publications, including [Irish Nationalism and European Integration](#) (MUP, 2009).