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Knowledge Exchange Seminar Series (KESS)

Northern Ireland and Brexit: Limits and Opportunities for a New Relationship with the EU

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The prospect of Brexit begs questions of what new relationship the United Kingdom can and should seek to establish with the European Union (EU) and how Northern Ireland can and should position itself in that relationship. Given the 'remain' vote and post-Brexit the challenges posed not least by its geographical location, what if any options are there for a bespoke status for Northern Ireland? The briefing paper notes established and more recent options against the backdrop of established principles underpinning the nature and content of the relationships the EU has established with European neighbours as well as bespoke arrangements established for specific regions within partner and member states.

The result of the EU referendum on 23 June 2016 and the UK government's commitment to respect the overall 'leave' result raises the prospect of the UK withdrawing from and, as a non-member state, establishing a new relationship with the EU. The absence of any clear UK government or 'leave' campaign plans for 'Brexit' means there is considerable uncertainty about what shape a future UK-EU relationship will take. Tensions clearly exist within the UK government between advocates of a 'hard' Brexit and future relations based on some form of free trade agreement and supporters of a 'soft' Brexit where the UK would have continued access to the single market, possibly remain in the EU's customs union and retain involvement in an extensive range of areas of cooperation.

There is also the question of what form of relationship the EU will be willing to negotiate with the UK. The clear line that leaders of the other 27 member states and the EU institutions have taken to date is that there will be no negotiations, formal

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or informal, until the UK government has notified its intention to withdraw from the EU under Article 50 of the Treaty on European Union (TEU). This does not mean that the EU does not have a position. Numerous statements have been issued by EU leaders and by senior voices in the European Commission and the European Parliament (EP) stressing that UK cannot expect simply to 'pick and choose' those aspects of single market access, cooperation and integration it wants as part in a post-Brexit relationship. Particular attention has been focused on the single market's four freedoms – the free movement of goods, services, capital and people – which are widely viewed as an indivisible package. Importantly, therefore, access to the single market for goods requires acceptance of the free movement of people.

The EU's position should not surprise. It reflects established principles and practice (Phinnemore, 2016). It also points towards any future UK-EU relationship being modelled on an existing relationship, hence the attention that is being paid to the European Economic Area (EEA) option, Switzerland's bilateral agreements, Turkey's customs union agreement and the recently concluded Comprehensive Economic and Trade Agreement (CETA) with Canada.

The UK government has to date been unable to reduce the uncertainty surrounding its preferred option beyond stating that it will be seeking the conclusion of a 'bespoke' relationship with the EU. What form this might take is far from clear. Evidently, and understandably, the UK does not wish the form of a future post-Brexit relationship with the EU to be constrained by reference to existing arrangements. A more flexible approach on the part of the EU also has its supporters. Others see Brexit as offering the possibility of the EU more flexible forms of integration within the EU (Gillespie, 2016). Such a dynamic would facilitate a bespoke arrangement for the UK. So too would proposals for a staged approach to a new relationship via an interim arrangement (Chalmers and Menon, 2016)

Within these discussions scant consideration has so far been given to the position of Northern Ireland, how it would be affected by a UK-EU relationship based on an existing arrangement, whether and how its interests could be accommodated within such an arrangement, and how these interests might be reflected in a more bespoke arrangement for post-Brexit UK-EU relations. What is generally recognized is that within the UK-EU relationship some form of special or bespoke arrangement for Northern Ireland will be needed (e.g. Niblett, 2016).

There are a range of arguments supporting a special or bespoke arrangement for Northern Ireland. Many 'remain' voters will point to the referendum result where 56% of votes cast were for 'remain' and argue that the result should be respected. There is then the larger issue of the border. Northern Ireland's geographical location on a separate island to the rest of the UK and with a land border with an EU member state raises a whole range of practical as well as political and other challenges post-Brexit. How extensive those challenges will be will depend on the nature and substance of the new UK-EU relationship and the extent not least to which the UK remains in the single market and engaged in the free movement of goods, services, capital and people and whether it is inside or outside the EU's customs union. Each of these will affect the nature of the border between Northern Ireland and the Republic of Ireland – or more accurately in a post-Brexit world between Northern Ireland as part of the United Kingdom and the European Union. In a post-Brexit world, the border will cease to be simply the Irish border. If the border is to remain as 'soft' as it has become, then Northern Ireland cannot afford to see a change in current arrangements regarding the free movement of goods, services, capital or people.

A third argument relates to the future of the Common Travel Area (CTA) and how its continuation can be reconciled with the prospect of the two parties – Ireland and the United Kingdom – no longer both being either outside (pre-1973) or inside (post-1973) the EU. In the absence of both states being party to the same set of rules governing free movement, especially of people, and both having control full over their own borders, it will not be possible for all current arrangements that form part of the CTA to be maintained unaffected. Again, a key issue here is that post-Brexit the border will cease to be 'simply' the Irish border but instead be the international border between the United Kingdom and the European Union.

A fourth argument relates to the Belfast/Good Friday Agreement. Concerns exist that Brexit could undermine the Irish citizenship rights for people in Northern Ireland introduced. More generally, implementation of various aspects of the Agreement could be compromised by the absence of an overarching EU legal framework. With Brexit, key EU laws could be repealed and not replaced thus undermining the functioning of the Agreement.

That a UK withdrawal from the EU poses particular challenges for Northern Ireland has been made clear in the letter of the First Minister and Deputy First Minister to Theresa May on 10 August 2016. It noted Northern Ireland's 'unique' position in that it is the only region of the UK with a land border with an EU member state. It also recalled the Prime Minister's commitment that 'the border will not become an impediment to the movement of people, goods and services' (The Executive Office, 2016). In this context, and with a range of issues notably concerning labour mobility, energy, and trade in agricultural goods, highlighted in the letter, there was recognition at least that bespoke arrangements for Northern Ireland within the context of a new UK-EU relationship might need to be sought.

The prospects for a bespoke relationship for the UK ...

As noted, EU leaders and senior voices in the European Commission and the EP have downplayed the idea that the UK can expect to 'pick and choose' those aspects of market access, cooperation and integration it wants as part of a post-Brexit relationship. The German Chancellor, Angela Merkel, has stated quite emphatically that 'negotiations will not be run on the principle of cherry-picking ... Whoever wants to get out of [the EU] family cannot expect that all the obligations fall away but the privileges continue to remain in place' (Financial Times, 2016a). A joint statement from the EU's main institutions in the immediate aftermath of the referendum result was equally clear: 'Any agreement, which will be concluded with the United Kingdom as a third country, will have to reflect the interests of both sides and be balanced in terms of rights and obligations' (European Council – The President, 2016a). Donald Tusk, the President of the European Council, was even more specific and emphatic: 'Leaders made it clear that access to the single market requires acceptance of all four freedoms, including the freedom of movement. There will be no single market à la carte' (Tusk, 2016).

These statements should not be dismissed lightly. They flow from established principles and practice; and they demonstrate that there are no precedents for a pick-and-choose approach to relations with the EU. It is highly unlikely therefore that a post-Brexit UK can select exactly what it wants in a new relationship with the EU. The experiences of other states outside the EU also make this clear.

There are essentially three principles, set out as such in 1987 in the context for negotiations that would ultimately lead to the EEA Agreement being concluded in 1991. The first principle is that in developing relations with non-member states the EU will always prioritise its own internal integration. The EU's interests come first. The second is that the EU will always safeguard its own decision-making autonomy. In other words, involvement in the EU's institutions – such as the EP, the Council or the Commission – and in its decision-making processes is reserved for member states and member states alone. Non-member states have no say even if they are obliged to implement the EU's decision. The third principle is that any relationship must be based on 'a balance of benefits and obligations'. It is not for the non-member state to choose only those aspects of EU integration it likes. Relationships have to involve a balance. And, in practice, that balance is generally tipped very much towards the EU's interests.

The history of the EU's external relations provides ample evidence of these principles in practice. No non-member state has ever been granted participation in EU institutions or decision-making processes, for example. And the more extensive association agreements concluded by the EU have imposed many obligations on non-member states (Phinnemore, 1999). In the case of the EEA negotiations, the principles were each upheld. For the EU, priority was given to completing the internal market – the '1992' project – and agreeing plans for, among other things, economic and monetary union in Maastricht Treaty. In order to have access to the single market, EFTA states participating in the EEA not only accept free movement in all four core areas – goods, services, capital and people – but also implement existing and future EU legislation in the so-called 'flanking' areas of, for example, competition, the environment, consumer protection and company law.

Since the EEA, there have been numerous examples of the three principles being upheld, even though they are rarely explicitly re-stated or recalled. Indeed, there is no example of an arrangement that does not reflect the principles. All the Europe agreements concluded in the 1990s with the Central and Eastern European countries that joined the EU in 2004-2007 involve extensive obligations in exchange for the benefits of trade access to the EU market and programmes. And all took longer to negotiate than had been anticipated, in part because the EU was more concerned with its own internal development. In terms of obligations, the same can be said of Switzerland's extensive and complex mix of bilateral agreements (Briedlid and Najy, 2016) and of the association agreements the EU has concluded with Western Balkan countries and, more recently, with Ukraine, Moldova and Georgia. These last agreements contain almost 500 articles and Ukraine's deal runs to more than 2,000 pages. Each agreement paints a similar picture of a considerable number of commitments and obligations being placed on the non-member state in exchange for a range of benefits.

While there is an argument to say that a post-Brexit UK's political standing and economic importance as a market for the remaining EU member states means that it would enjoy much greater leverage over negotiations with the EU than most other non-member states, principles and precedent clearly demonstrate that this leverage should not be overstated. Equally, repeated statements that – or to the effect that – the four freedoms of the single market are 'inseparable' (e.g. Schulz, 2016) should not be dismissed lightly. Consequently, it is far from being a foregone conclusion that a radically bespoke post-Brexit UK relationship with the EU that moves away from an existing model can be negotiated and will be established. Of course, any bilateral UK relationship with the EU would be bespoke in the sense that it will be tailored to the UK, but whether it will be significantly different in terms of the three principles noted and the substance of free movement must be doubted.²

² Consequently there would appear to be little prospect of the UK securing some form of 'associate membership' as previously proposed by Duff (2013) and more recently Verhofstadt (2015) or the continental partnership recently proposed by Pisani-Ferry *et al* (2016).

No existing relationship has involved the sort of 'pick and mix' approach that some 'leave' campaigners, government ministers and commentators believe can be pursued. It should be noted as well that any concessions which the EU might make to the UK will have to be ones that it will be willing to offer to others. This is expected to mean further constraints on what the EU is willing to offer the UK

... and a bespoke status for Northern Ireland.

The prospects for a radically bespoke post-Brexit UK-EU relationship are not positive. The prospects within the new relationship for a bespoke arrangement that addresses some if not all of the challenges facing Northern Ireland are more encouraging. In part this reflects the willingness of the EU to engage specifically in Northern Ireland, notably for example through Peace funding and the Barroso Task Force. Many of the challenges Northern Ireland faces are challenges that the Republic of Ireland either faces itself or are ones in which it has a stake. Furthermore, Northern Ireland's geographical situation is more conducive to bespoke arrangements. The 'remain' vote in Northern Ireland is also noted by some protagonists, and there is some willingness within EU circles to support the Irish government in minimizing the impact for Ireland of the UK referendum.

Importantly, from a Northern Ireland perspective, the EU is not averse as part of its external relations to developing or at least considering special arrangements for particular regions of non-member states. Precedents exist for bespoke arrangements for specific regions. These are noted below. Whether a bespoke arrangement for Northern Ireland will be necessary, sought and achieved and what form or forms that arrangement or those arrangements might take will be to a large extent determined by the content of the post-Brexit UK-EU relationship.

Existing Options

As the debate prior to and especially since the referendum has demonstrated, there are a variety of forms of relationship that have been established by the EU with non-member states (Piris, 2015; Cave and Allen, 2016; Gstöhl, 2016a; UK Government, 2016). Each of these could provide a model for a new post-Brexit UK-EU relationship.³ Each involves different levels of integration and a different set of rights and obligations. That there is a balance of rights and obligations is important to note.⁴

The <u>first option</u> and the most developed form of relationship the EU has with non-member states in is the EEA. This governs the EU's relations with Iceland, Liechtenstein and Norway (hence occasional reference to it as the 'Norway Option'). Essentially the EEA extends the EU's single market comprising the free movement of goods, services, capital and people to the non-member states. Iceland, Liechtenstein and Norway therefore implement EU regulations and directives governing these four freedoms. Although the EEA does not involve participation in the EU's Common External Tariff, the Common Commercial Policy, the Common Agricultural Policy, the Common Fisheries Policy, or the Eurozone, Iceland, Liechtenstein and Norway do also implement regulations and directives in a range of so-called 'flanking policies' designed to assist the smooth functioning of the single market. These policies cover, for example, the environment, competition, consumer protection, safety standards, and public procurement. Important to note is that EEA participants are obliged not only to adopt existing EU regulations and directives, but also future ones relevant to the functioning of the EEA. Iceland, Liechtenstein and Norway also participate in various EU programmes (e.g. Erasmus+ and Horizon 2020) and make significant financial contributions to them and in support of reducing social and economic disparities in the EU.

None of these states, however, has a say on the adoption of new EU legislation. They have no representation in the EU's decision-making institutions or processes. At best they are consulted through a process of 'decision-shaping' on Commission proposals for legislation. Moreover, failure to adopt relevant new EU legislation can lead to suspension of the EEA. Legislation is expected to be interpreted in line with the jurisprudence of the EU's Court of Justice in Luxembourg.

³ The range of options presented here is far from comprehensive.

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⁴ There is also the option of no agreement being sought or reached on a new post-Brexit UK-EU relationship. If this were the case, the UK's trade relations with the EU would be conducted according to the rules of the World Trade Organization (WTO). These rules determine the tariffs and tariff quotas that can be applied to trade in goods. Advocates of the 'WTO option' – as with advocates of the UK moving outside the EU customs union – point to the opportunities that would exist for the UK to conclude trade agreements with other countries. There would be limits, however. Significantly, the UK would not be able to conclude bilateral trade agreements with individual EU member states, for example the Republic of Ireland. The EU is a customs union and has a Common Commercial Policy; this means trade agreements have to be with the EU as a whole and the EU's Common External Tariff would be applied on UK exports to the EU. Commentators on the WTO option flag the detailed negotiations that would need to take place

The attraction of the EEA is full access to the single market.⁵ Free movement of goods is subject, however, to some controls flowing from the fact that the EEA does not involve EU non-member states in the EU's customs union. Trade is therefore subject to customs controls and businesses are expected to be able to prove the origin of their goods. The same applies for agricultural goods given these are not automatically covered by the principle of free movement.

From a Northern Ireland perspective, therefore, the EEA would involve far less disruption at the border and for the CTA than other options. Free movement of people would continue. However, if the UK did opt for the EEA,⁶ there would need to be some form of customs controls between Northern Ireland and the Republic of Ireland given the EEA does not include participation in the EU customs union. There would also need to be capacity to monitor and control trade in agricultural products since these are not automatically covered by the EEA. There would also be financial costs to the UK.

A <u>second option</u> for the UK is to follow Switzerland and secure a bespoke set of bilateral agreements with the EU. In the Swiss case these cover a range of issues designed to secure Switzerland access to the EU single market. The agreements cover most trade in goods with most agricultural goods outside; Switzerland enjoys more limited access to trade in services than EEA participants. It does not have full access to the single market for its banking sector, for example; the same is true of other parts of the services sector including insurance. Switzerland does not have any access to the EU market in financial services.

Like Iceland, Liechtenstein and Norway, Switzerland contributes financially so that it can participate in the EU's research and education programmes. As with the EEA, Switzerland has no involvement in the EU's institutions or decision-making processed. Unlike the EEA, however, it has no right of consultation. It also sits outside the EU customs union so customs controls still must be applied. However, unlike its fellow EFTA member states, it is not obliged to adopt new EU legislation regarding the single market but is expected to ensure that its domestic legislation is aligned with the relevant EU regulations and directives. Examples include competition policy and environmental policy. Failure to comply can lead the EU to block Switzerland's access to the single market. Indeed a number of Switzerland's bilateral agreements with the EU are linked through a so-called guillotine clause meaning that failure to meet in full obligations under one agreement can lead to the suspension of rights under the others. This has been threatened following the Swiss referendum in February 2014 on introducing immigration quotas including on EU nationals. This clearly contravenes the provisions in the agreement on the free movement of persons. The linked agreements include those covering agriculture, research and civil aviation.

From a Northern Ireland perspective, the Swiss option has the same shortcomings as the EEA with the added complication of the guillotine clause.

The third option is the association with customs union option which Turkey currently has. Where this differs from the EEA and the Swiss options most clearly is, on the one hand, in Turkey's participation in the EU's customs union. This means that in exchange for tariff- and quota-free access to the EU market for industrial goods, Turkey not only provides the same access to its own market for EU goods, it also applies the EU's external tariff on its trade with third countries. On the other hand while the custom union option may bring market access it does not mean that Turkey has anywhere near full access to the single market. For example, agricultural goods and services do not form part of the customs union. Turkey also has no say on the tariffs it has to impose on goods it imports from non-EU countries, as it has to apply the EU's common external tariff to those goods (and is not involved in setting it). This acts as a significant constraint on the development of its own trade agreements with other partners and a key reason why there have been calls for the UK not to consider a customs union option. Also, Turkey is expected to adopt EU rules in relation to competition policy and environmental policy and align with EU state aid rules. The existing agreement between the EU and Turkey allows for limited migration to the EU for Turkish nationals, but not free movement of persons. Even visa-free travel for Turkish citizens has still to be conceded. Turkey does not make any contributions to the EU budget; it has no say in EU decision-making.

From a Northern Ireland perspective, a key attraction of a customs union option is that would remove the need to impose customs controls at least for non-agricultural goods. However, there is not free trade in agricultural goods and unless accompanied by the free movement of people, border controls of some form would be needed to ensure immigration into the UK could be controlled.

A <u>fourth option</u> is the Canada Option and the recently negotiated – but still to enter in to force – Comprehensive Economic and Trade Agreement (CETA). It is one of the EU's most comprehensive and ambitious trade deals ever agreed with a

⁵ Iceland, Liechtenstein and Norway also participate in Schengen. However, this is not an obligation of participation in the EEA and is decided and regulated separately. If the UK were to join the EEA it would not be obliged to join Schengen.

⁶ To join the EEA as currently constituted, the UK would need the agreement of all EU member states; it would also have to re-join the European Free Trade Association (EFTA), a process that would require the agreement of its existing members: the three EEA participants as well as Switzerland which has not joined the EEA.

third party. If approved, CETA will eliminate 98% of tariffs between Canada and the EU. The agreement also removes restrictions on access to public contracts and opens up the services market in areas such as postal services and maritime transport. The agreement ensures EU standards in areas such as food safety and worker's rights are upheld and provides for guarantees that economic benefits do not come at the expense of the environment or consumers' health and safety. Canada is neither required to contribute to the EU budget nor expected to sign up to the EU rules on the free movement of people. There are, however, some limitations and exceptions to the CETA agreement: tariffs and quotas will remain in place for some agricultural products; trade in services is only partially liberalised; and there are a considerable number of 'reservations' within the deal. Canada's ability to take advantage of the EU financial services passport is dependent on Ottawa establishing a presence in the EU and respecting EU rules in this area.

The attraction of a CETA-type option is market access. However, there are restrictions on the scope of free trade, notably as regards agricultural goods; and customs controls would have to be imposed. It also does not provide for the free movement of people so immigration controls would be needed.

Options for a Bespoke Status for Northern Ireland

Ensuring, in the words of the First Minister and Deputy First Minister, that the border 'will not become an impediment to the movement of people, goods and services' (The Executive Office, 2016) is a major challenge in the context a new post-Brexit UK-EU relationship. Each of the options discussed compromises the current status of the border; with the probable exception of the EEA they also threaten to undermine the ability of the UK and Irish governments to maintain the CTA. And for 'remain' voters, each falls short of providing the range of integration and cooperation activities and access to institutional representation and decision-making that membership affords.

This then raises the question of whether there are options for maintaining the *status quo* as far as Northern Ireland is concerned while respecting the 'leave' vote elsewhere in the UK. Two options have already been identified. A first is the Reverse Greenland option which draws its inspiration from the departure of Greenland, which is part of Denmark, from the then European Communities in 1985. The idea of a 'reverse Greenland' envisages the UK remaining in the EU, but not all of its constituent parts doing so (Gad, 2016). Scotland and Northern Ireland – as constituent elements of the UK who voted 'remain' would, as was the case with Denmark, remain in the EU while England and Wales, following Greenland's example, would leave. Formally, the 'reverse Greenland' option would see the UK remain an EU member state, yet with England and Wales – and so the bulk of the population – exempted from the obligations of membership. The rest of the UK – Scotland and Northern Ireland (plus Gibraltar)⁷ – would continue as members of the EU, albeit with reduced voting powers and fewer MEPs. The exact status of England and Wales in terms of market access, involvement in the single market etc., would have to be negotiated.

A second option is contained in The Dalriada Document (O'Leary, 2016) and has been developed specifically in response to the different votes in England, Northern Ireland, Scotland and Wales in what was formally an advisory referendum on 23 June 2016. As with the reverse Greenland option, 'Dalriada' envisages the bulk of the UK moving outside the EU and some parts remaining within the EU. The option is predicated on the fact that the UK comprises two existing unions, that of Great Britain and that of Great Britain and Northern Ireland. In each of these unions one partner has expressed their desire to remain in the EU. It envisages a situation where England and Wales secede from, but Northern Ireland and Scotland remain in the EU.

Both options, following O'Leary (2016), would have some significant implications, not least a customs border of sorts in the Irish Sea (and between England and Scotland). How intrusive this would be would depend on the extent of free movement retained in a post-Brexit UK-EU relationship. In effect, the two options would relocate the challenges of Brexit raised by the land border on island of Ireland to the Irish Sea. Rather than north-south trade and movement on the island of Ireland being disrupted by Brexit, the disruption would be between the island and England/Wales.

Moving the border effectively wholesale to the Irish Sea would clearly be a radical step. Radical thinking may be needed in the context of Brexit which after all has the potential to see a radical change to the economic and political *status quo* depending on how 'soft' or 'hard' Brexit proves to be, particularly where Northern Ireland is concerned. Particular challenges relate to the free movement of people across the border and the maintenance of the CTA, at least as far as the island of Ireland is concerned, and especially in a context of an immigration-control-driven hardening of the UK border. One option is to 'hard border' Great Britain (McCall, 2016).

Such an arrangement would require agreement within the context of a post-Brexit UK-EU relationship for the free movement of people to extend beyond the border of the EU into but not across the entire territory of a non-member state. This would

⁷ In Gibraltar 95.9% of the votes cast in the referendum on 23 June 2016 were for 'remain'.

be unprecedented, but it would not be unprecedented for special or bespoke integration and cooperation arrangements to be put in place for particular regions or territories of non-member states.

Svalbard enjoys special status within the context of Norway's participation in the EEA. The EU has also granted some restricted concessions to the Russian exclave of Kaliningrad which situated between two EU member states (Lithuania and Poland).

Neither of these arrangements are particularly substantial and none involves a significantly closer relationship with the EU than that held by the non-member state. However, precedents for extraterritorial differentiation in the EU's external relations do exist; just as precedents for territorial differentiation exist within and at the borders of the EU. The case of Greenland has already been noted. In terms of differentiation at the borders of the EU, special arrangements were in place for East Germany throughout the Cold War. There are also the special arrangements in place governing the position of northern Cyprus in the context of Cyprus's membership of the EU (Skoutaris, 2016). The particular status of European micro-states (e.g. Monaco, Andorra) should also be considered (see Forster and Mallin, 2014) as should the 'opt-outs' within the EEA and 'special solution' on free movement of workers that Liechtenstein has (see Gstöhl, 2016b). Within the EU, territorial differentiation can be seen in the special arrangements in place for: the Åland islands, an autonomous region of Finland, for Akrotiri and Dhekelia, the two British Overseas Territories and 'Sovereign Base Areas' on Cyprus; Mount Athos in Greece; the Faroe Islands (which are part of Denmark); and Ceuta and Melilla (Spanish exclaves in Morocco)

So, precedents exist for special or bespoke arrangements. As noted in the different potential models for a post-Brexit UK-EU relationship, precedents also exist for the EU to extend to non-members often extensive involvement in its integration activities. The EEA involves participation in the single market; Turkey's association with the EU involves participation in the customs union. Various arrangements involve participation in EU policies and programmes, although no non-member state enjoys any form of participation in the EU's institutions or in its decision-making procedures. There are limits to integration. No non-member state participates in the Common Agricultural Policy or the Common Fisheries Policy, for example.⁸

The challenge for Northern Ireland is to establish its priorities for a post-Brexit UK-EU relationship and identify ways in which they can be accommodated in the arrangements governing the UK's withdrawal and more significantly the new UK-EU relationship that will ensue. Key priorities have been noted, namely ensuring the border will not become an impediment to free movement of people, goods and services and maintenance of the CTA. These are high level issues, however. Due consideration must also be given to the detailed components of these freedoms mindful of challenges that each option available poses for a part of the UK with its own particular social, economic and political challenges and a land border with an EU member state.

The First Minister and Deputy First Minister drew attention to challenges around ensuring energy supplies and lowering costs, for the agricultural sector in terms of market access and financial support, for the fishing industry (presumably in terms of fishing rights and financial support), for cross-border workers in terms of movement and for private and public sector in terms of access to migrant labour. These reflected 'initial thoughts'. To this list can be added cross-border police and security cooperation including the European arrest warrant, access to public procurement, social and environmental partnerships of a cross-border nature, access to health care, cross-border infrastructure projects, access to research funding. The list could continue.

Some, possibly most, *could* be addressed in a new post-Brexit UK-EU relationship. Much will depend on the nature of that relationship; whether there is a 'soft' or a 'hard' Brexit. Northern Ireland needs to be prepared, however, to argue and identify options for bespoke arrangements if the negative consequences of Brexit are to be mediated. The EU is a characterized by differentiation forms of integrations. Differentiation can also be found in its external relations. Principle may limit the opportunities for a bespoke UK-EU relationship, but at the regional level, reflecting not least the challenges that geographical location poses for Northern Ireland in a post-Brexit context, opportunities for bespoke arrangements clearly exist. What is needed next is creative thinking.

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