Rapporteurs' report on the working visit to Dublin and the Irish/Northern Irish border in the context of the United Kingdom's withdrawal from the European Union (Brexit). Approved 27 March 2019

1. Introduction

The border between Ireland and Northern Ireland appears to be the most significant stumbling block in the negotiations on the United Kingdom's withdrawal from the European Union. In order to gain an impression of the consequences of a no-deal Brexit for Ireland and the Irish/Northern Irish border, we visited Dublin and the area around the Irish/Northern Irish border on behalf of the Dutch European Affairs Committee on Wednesday, 20 March 2019. This is the report of our trip.

The most important outcome of our study visit was our realisation that the debate about Brexit in Ireland and Northern Ireland is primarily one of identity. Brexit directly affects the identity of inhabitants of Ireland and Northern Ireland. This makes the debate particularly sensitive.

In addition, it is very likely that a no-deal scenario would result in significant pressure for the border to be gradually made harder, not because of any conscious desire on anyone's part for this to happen but because tariffs will be introduced, efforts to combat smuggling will be made, or controls will be carried out, for example in the case of animal diseases. A border that gradually becomes harder in this way represents a significant threat to the peace process.

2. Good Friday Agreement

The discussions we held revealed that the sensitivities in the border region are a result of the history of Ireland and Northern Ireland. In the Good Friday Agreement (also referred to as the Belfast Agreement¹), concluded after decades of violence in which more than 3,500 people died, agreements were made along three lines: 1) the position of Northern Ireland in the United Kingdom 2) the relationship between Northern Ireland and Ireland 3) the relationship between Ireland and the United Kingdom.

An important part of the Good Friday Agreement involves the issue of nationality. With regard to this, the Good Friday Agreement stipulates that its signatories:

(vi) recognise the birthright of all the people of Northern Ireland to identify themselves and be accepted as Irish or British, or both, as they may so choose, and accordingly confirm that their right to hold both British and Irish citizenship is accepted by both Governments and would not be affected by any future change in the status of Northern Ireland.²

Inhabitants of Northern Ireland are free to choose which nationality they have. This can be Irish, British or both. In addition, the physical border between Ireland and Northern Ireland disappeared. If Northern Ireland were to leave the European Union with the United Kingdom in a no-deal scenario, this would effectively mean that 1.5 million current EU citizens in Northern Ireland would be outside the European Union after the date of Brexit. This is what makes a physical border between Ireland and Northern Ireland so sensitive and symbolic.

3. DUP / Sinn Féin

To achieve a majority, the minority government of Prime Minister Theresa May depends on the support of the Northern Irish Democratic Unionist Party (DUP). This party, which opposed the Good Friday Agreement, is the largest in Northern Ireland, but represents a minority of voters. However, the DUP's influence is disproportionately strong because of its support for Prime Minister May's government. As a result, the DUP has a direct line of influence with the government in London.

¹<u>https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/136652/a</u> <u>greement.pdf</u>

²<u>https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/136652/a</u> <u>greement.pdf</u>

We heard that the DUP is under pressure from its supporters, the local business community, to back Prime Minister May's deal, which it has so far voted against. According to some of the people we spoke to, the DUP is looking for a way out in order to support the deal. We were also told that the DUP is divided internally.

The constituencies that support the DUP are not in the region bordering Ireland, but in the northeast corner of Northern Ireland. All the seats in the border region were won by the political party, Sinn Fein. However, for reasons of principle, this party has not taken its seats in the British House of Commons because that would mean its elected members swearing allegiance to the British Queen³. They refuse to do that.

As a result of this choice, the inhabitants of the Irish/Northern Irish border region are not represented in the British House of Commons. This means that the practical border problems are not being raised by the MPs likely to know most about them.

The people we spoke to say that they spend much of their time explaining to British parliamentarians how high the number of border crossings is. For example, on 31 January 2019, there was the report that a British MEP from the United Kingdom Independence Party (UKIP) had posted a message online saying that only 100 lorries crossed the Irish/Northern Irish border every day, 50 of them carrying Guinness beer⁴. In reality, some 13,000 lorries and minivans cross the border on a daily basis. The people we spoke to expressed frustration about the lack of understanding among British parliamentarians with regard to the extent to which Northern Ireland and Ireland are economically intertwined.

The number of border crossings exceeds that on the whole of the eastern border of the European Union. This is because of the extent to which the two territories are interwoven and the complete lack of border infrastructure. It is only the colours on the motorway, a petrol station along the road which is slightly cheaper or a firework shop (legal in Northern Ireland, but not in Ireland) that make it clear where the border is.

4. Fear of border controls / backstop

In our discussions, it emerged that simply raising the issue of a potential border between Ireland and Northern Ireland is highly sensitive. All the people we spoke to saw a physical border as unthinkable.

The Good Friday Agreement has ensured calmness and stability on the island of Ireland for the last twenty years. A generation is now growing up with no personal experience of 'The Troubles'. The actual border between Ireland and Northern Ireland is now nothing more than a change in the colour of the lines on the motorway. In the view of those we spoke to, this must remain the case. Any step in the direction of a physical border raises the threat of a return to violence. This is something that everyone on the island of Ireland is determined to avoid. The fear that the reintroduction of border controls will lead to a new vicious circle of violence and a breach of the Good Friday Agreement was expressed in all the conversations we had.

This important and sensitive issue hardly featured at all in the British press and in British politics during the campaign for the Brexit referendum on 23 June 2016. It is now probably the most important stumbling block in the negotiations on Brexit.

We asked about a technical solution to prevent a physical border. This option was not seen as realistic. It would be difficult to implement, because the border twists and turns. There is also a fear that violence will spiral. In one of the discussions, the example of a Customs drone to monitor the flow of goods at the border was cited. In principle, this can already be deployed. However, the person we spoke to expected to see groups in the border region determined to bring down this Customs drone. This tangible form of control would become a symbol and therefore a potential target for violent groups. This drone would then need to be guarded. The guard would then become a target, and so on.

³ <u>https://www.irishpost.com/news/gerry-adams-confirms-sinn-fein-will-not-swear-allegiance-queen-take-westminster-seats-125111</u>)

⁴ <u>https://www.irishpost.com/news/ukip-leader-deletes-tweet-claiming-100-lorries-day-cross-irish-border-164049</u>

In addition, many controls can and will of course take place elsewhere, such as on company premises, but if there is not at least the possibility of carrying out unexpected inspections at the border, you are left with no effective control.

5. Dilemma

This aversion to the setting up of physical controls on the Irish/Northern Irish border creates a dilemma for the European Union: everyone wants to prevent a hard border between Ireland and Northern Ireland. But if Northern Ireland leaves the European Union with the United Kingdom, the European Union border will be on the Irish/Northern Irish border. This means that there will need to be border controls.

The alternative option of introducing controls between Northern Ireland and the rest of the United Kingdom faces objections within the United Kingdom based on the principle that there can be no internal borders. The other alternative, which is controls on all goods from Ireland, faces similar objections within the European Union, because it does not want to have internal borders.

The conclusion of all the people we spoke to was that the 'backstop', now part of the withdrawal agreement, is currently the only possible practical solution. This is the emergency solution according to which the United Kingdom remains in the Customs Union if, by the end of the two-year transition period after the date of Brexit, there is no agreement about free border movement between Ireland and Northern Ireland with extra EU rules for Northern Ireland.

6. Political situation in Ireland

The Irish government has four key objectives in the Brexit negotiations:

- 1) guaranteeing the Good Friday Agreement
- 2) maintaining the Common Travel Area (free movement of people in the United Kingdom and Ireland)
- 3) minimising the effect of Brexit on Ireland in terms of trade and the economy
- 4) making it clear that Ireland remains part of the European Union. Support for Ireland exiting the European Union is said to be around 7 %.

The above means that the border between Ireland and Northern Ireland is also very politically sensitive. Currently, Ireland has a minority government led by Prime Minister Leo Varadkar (Fine Gael, Christian Democrats). The expectation of those we spoke to is that, should the Irish government propose to introduce any form of border controls, this would lead to the fall of the government.

We asked about Irish preparations for a no-deal Brexit several times. However, we were unable to ascertain whether the Irish are actually quietly preparing for a no-deal scenario. People are reluctant to discuss this in view of the sensitivity of the issue and possibly also because of the ongoing Brexit negotiations. There is every effort to avoid any suggestion that under a no-deal scenario the problems actually may be solvable.

7. UK tariffs in the event of a no-deal Brexit

On 13 March 2019, the British government published its plan to introduce tariffs in the event of a no-deal Brexit.⁵ These plans came as a serious blow to Ireland and on the Irish/Northern Irish border. In the event of a no-deal Brexit, the UK would introduce import tariffs on beef and cheddar cheese, among other things. According to the British proposals, the border between Ireland and Northern Ireland would be excluded from imposing tariffs. The irony is that this exception follows the characteristics of the backstop. Despite that, these tariffs will be painful for these sectors in Ireland.

This affects the Irish directly. Some 40% of all cheddar cheese in the United Kingdom comes from Ireland and 80% of Irish beef goes to the United Kingdom, according to the people we spoke to. It is primarily local businesses that will be directly affected by these tariffs.

⁵ <u>https://www.gov.uk/guidance/check-temporary-rates-of-customs-duty-on-imports-after-eu-exit</u>

If, in a no-deal scenario, tariffs are introduced in Northern Ireland and other parts of the United Kingdom, this is expected to lead to smuggling between Ireland and Northern Ireland. Smugglers will want to profit from this price difference. This links in with the *fear of controls* described in section 4 of this report. The British authorities will indeed need to conduct controls in order to combat smuggling.

8. Economic links between Ireland/Northern Ireland

A border is also unthinkable because of the way in which businesses in Ireland, Northern Ireland and the British mainland are economically interwoven. Goods, such as a bottle of Bailey's liqueur, often cross the border back and forth five times as part of the production process. Controls will cause major difficulties in terms of companies' current supply chains. This also applies, for example, to the Irish dairy industry that exports milk to supermarkets on the British mainland. Cows are free to walk over the border and, during processing, products are exported across the border several times because the island actually operates as an integrated economic zone. Any form of border would mean diverting these supply chains.

For example, the retail trade in Northern Ireland buys more than £2 billion worth of Northern Irish agrofood products, less than a quarter of which is used in Northern Ireland. The rest is exported to the United Kingdom and EU member states. Some 60% of these export flows go via Ireland. There is a high level of dependency in view of the fact that one in eight households in Northern Ireland have someone working in retail. This is compounded by the fact that the average income of a Northern Irish consumer is the lowest of any region in the United Kingdom. A no-deal Brexit with rising prices and economic problems as a result of a hard border would seriously affect Northern Ireland and also undermine political stability.

Expectations are that there will be no immediate problems on the Irish/Northern Irish border on the first day after a no-deal Brexit. The impression is that both countries, the United Kingdom and Ireland, will wish to avoid being the first to establish a physical border. However, this situation is ultimately unsustainable. The consequences of a no-deal Brexit, such as the emergence of smuggling routes and associated criminality, will quickly become noticeable. Similarly, potential incidents, for example in the field of animal health, will, within a few months, lead to calls for light border controls that will gradually be intensified and tightened.

The people we spoke to pointed out that the border was very porous even at the height of The Troubles, despite being guarded by tens of thousands of troops with tall watchtowers at their disposal.

9. Conclusion

For the Irish, the Irish/Northern Irish border is justifiably a very sensitive issue in the negotiations. At the same time, this border will become an external border of the European Union if the United Kingdom leaves the European Union without a deal. In that case, the border must not be permitted to be porous. Striking a balance in this is becoming ever more complex.

There were also clear indications throughout all our discussions of how highly appreciated it is that the European Affairs Committee in the House of Representatives acknowledges the problems (and consequences of those problems) in Ireland and on the Irish/Northern Irish border that will emerge if the United Kingdom leaves the European Union without a deal.

Rapporteurs

Anne Mulder Omtzigt

Also on behalf of Asscher