



A terrible border is reborn? Ireland and a no-deal Brexit

by Daniel Keohane 25 September 2020

If the UK fails to reach a trade deal with the EU, and does not implement the special arrangements for Northern Ireland agreed in the Withdrawal Agreement, Ireland faces the prospect of a hard land border being reborn.

After the 1916 Irish rising, the poet WB Yeats wrote that "a terrible beauty is born". Subsequent events led to Irish independence from the UK and the partition of the island. The customs border, established in 1922, was removed after 1992 with the creation of the EU single market. That EU context – of removing borders between members for the movement of people, goods, services, and capital – helped encourage the process that led to the 1998 peace agreement, known as the Good Friday or Belfast Agreement.

After 1998, security installations were removed and the land border on the island of Ireland became invisible, with cross-border co-operation and the all-island economy functioning mainly based on shared EU rules. However, if the UK government fails to reach a trade deal with the EU, and also refuses to abide by the special arrangements for Northern Ireland agreed in the 2019 Withdrawal Agreement, Ireland faces the prospect of a terrible border being reborn.

The two sorts of 'no-deal Brexit'

If the UK and EU do not reach an agreement on their future relationship by the end of this year, there are two scenarios. The first would see the UK leave the 'transition' period, which concludes at the end of 2020, with no agreement on the future EU-UK relationship, but uphold its pre-existing commitments made under the 2019 Withdrawal Agreement.

This is sometimes referred to as a 'WTO-only Brexit', since the UK would then trade with the EU only on World Trade Organisation rules. Without a trade deal, the subsequent combination of fully-fledged customs and regulatory checks at EU-UK borders, along with the application of tariffs and quotas on many goods, could cause significant disruption.

The second scenario is a combination of a 'WTO-only Brexit' with a failure to implement the 2019 UK-EU Withdrawal Agreement, especially regarding Northern Ireland. This double no-deal Brexit would be the most extreme Brexit.





The UK and the EU agreed a special 'protocol' for Ireland and Northern Ireland in their 2019 withdrawal agreement. The protocol ensured that no customs or regulatory land border would be introduced on the island of Ireland, even if the UK and the EU were unable to agree on a trade deal by the end of 2020. Therefore, the protocol says there should be checks on goods crossing between Great Britain and Northern Ireland.

The peace in Northern Ireland remains fragile. To illustrate: <u>almost half of all terrorist attacks in the EU during 2019</u> – including foiled and failed attacks – were carried out by Irish dissidents in Northern Ireland (56 out of 119) according to Europol, the EU's policing agency. Where to put EU-UK customs checks, therefore, is a sensitive question.

The UK government agreed with the EU that market checks (customs and regulatory checks, including sanitary and phytosanitary – or animal and food hygiene checks, known as 'SPS') would be mostly carried out at Northern Irish seaports, such as Larne. Some SPS checks are already carried out on live animals brought over from Britain at Larne.

Northern Irish Unionists, however, are unhappy about this arrangement, as it splits the UK internal market, and worry about the adverse effects on trade with Britain. The UK government recently tabled the Internal Market Bill, ostensibly to address those Unionist concerns. While the UK accepts that there will be new checks on goods entering Northern Ireland from Great Britain, it intends to unilaterally remove the need for exit summary declarations on goods sent from Northern Ireland to Great Britain, as required under the EU customs code.

The UK government also plans to unilaterally impose its own assessment of whether goods entering Northern Ireland are at risk of onward travel to the EU, and thus subject to EU tariffs. But now Ireland and the EU worry that the UK will not implement the protocol as agreed, and that – *in extremis* – Ireland may have to erect a land border with Northern Ireland, to carry out EU market checks.

Although the political symbolism of borders dominates discussions about the protocol, it is also designed to underpin socio-economic North-South co-operation on the island of Ireland. According to a 2017 UK government 'mapping exercise', EU laws underpin around 150 areas of cross-border co-operation today, especially the all-island economy.

The value of Northern Irish sales to Britain (£10.6 billion in 2018) is much greater than NI exports to Ireland (£4.2 billion) and the rest of the EU (£2.5 billion). But the volume of cross-border trade on the island is much larger. For example, from 2012-2016, some 6.4 million heavy goods vehicles crossed the North-South land border, compared to only 1.9 million HGVs travelling from the whole island of Ireland to Britain. This gives an idea of how disruptive any new land border would be for daily life on the island.

The price of Brexit for Ireland, and the value of the EU

The price of any Brexit was always likely to be high for Ireland, but the EU has shown its value to Ireland during the Brexit process. First, through the impressive solidarity of the other 26 remaining EU governments on the need to protect the Irish peace process. The EU, after all, was created to build peace between previously warring countries through a process of increasing socio-economic interdependence.





EU governments also support Ireland for two other reasons. The first is that EU membership matters, and at least 21 members could be classified as 'small countries' like Ireland (populations of 20 million or fewer). So, even though the UK is a major NATO ally, geopolitical priorities for France, Germany, and others mean that the interests of a remaining EU member (Ireland) must come before the interests of the now-former member (the UK).

The second reason is that EU governments agree the single market must be protected at all costs. The single market is vital for the prosperity of most EU members. It is also the one bit of the EU that all members sign up to: not all are in the euro, the passport-free Schengen travel area, or all aspects of foreign and security policy co-operation, for example.

A double-no deal Brexit is an enormous challenge for Ireland, on three inter-locking levels. The first is the potentially destabilising impact on peace in Northern Ireland, as described above.

The second level is the potential threat to Ireland's place in the single market, diminishing its EU membership. If the UK did not introduce EU market checks at seaports in Northern Ireland, Ireland would have to choose between checks along the land border, or at seaports in Ireland and/or the continent. Otherwise the island would become a smuggler's paradise.

Dublin currently says it will not install checks along the land border. Even if it did, that 500 km elongated land border is impossible to police. There are <u>almost 300 crossing points</u>, more than the entire <u>EU land</u> border with countries to its east, which has 137.

The Irish government does not have the capacity to protect the EU single market along the land border. For example, during the 2001 foot-and-mouth crisis, which originated in Britain, the Irish Defence Forces were close to full capacity introducing temporary checks along the land border, to prevent the spread of that cattle disease.

Instead of land checks with Northern Ireland, Dublin could introduce EU checks at Irish seaports. But a Celtic sea border would disrupt Irish trade with its most important trading partner: the rest of the EU.

If Ireland introduced no land or seaport checks, other EU members might be tempted to introduce checks on goods from Ireland at continental ports, especially if large amounts of American chlorine-washed chicken turned up at continental restaurants.

The third challenging level is the negative impact of a double-no deal Brexit on the Irish economy. Ireland today exports fewer goods to Britain (around 10 per cent) than to the US (28 per cent) or the EU single market (40 per cent).

However, the UK remains one of Ireland's most important trading partners. This is especially true for some of the largest employers: small and medium enterprises and the agri-food sector. Half of Irish beef is sold to Britain. Plus, some 150,000 Irish lorries <u>travel via Britain to the continent</u> each year, accounting for around 40 per cent of exports and 13 per cent of imports.

Dublin has long been aware of the potential negative consequences of Brexit for the Irish economy. Already before the Covid-19 crisis, the Irish Times reported that a memorandum circulated to Irish





government ministers said the size of the Irish economy would probably be 7 per cent smaller by 2030 in a 'WTO-only Brexit' scenario than it otherwise would have been.

All this – sustaining peace on the island, maintaining Ireland's full membership in the EU, and easing the negative impact of Brexit on the Irish economy – explains why the UK government's implementation of the protocol is so important for Ireland, to help cope with this unholy trinity of Brexit challenges.

The importance of being earnest about the border

The Irish Taoiseach, Micheál Martin, recently ruled out erecting a land border in the event of a double no-deal Brexit. But the Secretary-General of the Irish Department of Foreign Affairs told the <u>Irish Examiner</u> on September 19th that avoiding a hard land border is now "not guaranteed".

There is currently near-unanimous support across Irish political parties at the Oireachtas (Irish Parliament) for the Irish government's Brexit position, which has essentially been unchanged since 2016, especially on the need to avoid a land border.

And then there is the potential impact on Northern Irish politics. The Northern Ireland Assembly would vote on retaining the protocol arrangements after four years, if they were implemented by the UK government (if the Assembly rejected the arrangements, they would be phased out within two years).

A slim majority of members at Stormont currently support the protocol, from the Nationalist Sinn Féin and Social Democratic and Labour Party, and the cross-community Alliance, Green, and People Before Profit parties.

But the protocol is vociferously opposed by the two main Unionist parties, the Democratic Unionist Party and the Ulster Unionist Party. Even though checks at seaports would be much less intrusive to daily life than checks along the land border, most Unionists perceive a sea border as negatively as Nationalists do a land border.

The binary nature of the hard Brexit that the UK government wants to pursue, firmly outside the EU single market and customs union, means that binary identity politics in Northern Ireland are being re-enforced. In other words, no matter what happens now, a large group will feel they are losing.

However, opinion polls in Northern Ireland have consistently shown that the harder the Brexit, the more support for unification with Ireland grows (EU governments agreed in 2017 that a unified Ireland would automatically become an EU member). For example, EU membership came second – across all groups – as a reason to vote for a United Ireland (after a 'strong' Irish economy), in the 2019 Northern Ireland Life and Times survey.

If the UK did not fully implement the protocol, one possibility would be for the EU to allow Ireland to derogate from protecting the single market until a resolution could be found. However, that would be an ad hoc solution that essentially depended on a no-deal situation not lasting long – perhaps a few months.

If a no-deal situation lasted six months or more, and if large quantities of prohibited non-EU goods were smuggled into the EU market via Northern Ireland to Ireland, then the European Commission would have to pressure Dublin to put up a customs land border.





Dublin hardly wants a rift with Brussels over implementing EU law. In a drawn out no deal scenario, the lrish government would probably – very reluctantly – follow EU procedures and introduce single market checks along the land border.

That would be an exceedingly difficult domestic sell for Dublin. But it would be in Ireland's strategic interest to avoid a rift with the other 26 EU governments. Ireland could contrast itself with an international law-breaking UK by sticking to EU rules, or at least be seen to be trying to stick to the rules – even if they were unpalatable.

The hope is that a double no-deal Brexit scenario would not last long, and that a physical Irish land border would not be reborn. However, the EU would still insist on the UK implementing the withdrawal agreement, including the Northern Ireland protocol, before re-starting formal trade talks with the UK. The reality, therefore, is that if the UK pursued a double no-deal Brexit, it would have to return to the table eventually if it wanted a trade agreement, but from a weaker negotiating position.

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