

MEDIA WATCH

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Why Brexit could undo so much for people who live on both sides of the border

OVER the years, great credit has, rightly, been attributed to different players involved in the Irish peace process - especially politicians from Ireland, the UK and the US.

However, one other very important contributor to the jigsaw, which led to a much more peaceful and normal Ireland, is the membership of the UK and Ireland in the European Union.

It's often forgotten that the members states of the EU contributed handsomely to the International Fund for Ireland, and particularly to the Peace Funds, which, in turn, were invested in the six Northern and six Southern border counties, to this day.

One other major influence in the normalisation process, especially along the border, was the Single European Act, which came into force on July 1, 1987. The aim of this Act was to create a single market across the European Community and the fact that it was adopted on both parts of this island, immediately, led to a sea change in how business was done across the border.

As a first-time candidate in the 1987 general election, I recall how, on the election day in February of that year, I had great difficulty travelling to polling stations situated near the border, due to the huge traffic jams at customs posts present on the border. Because of the paperwork involved, quite apart from the security aspects of crossing the border at that time, people travelling from one side of the border to the other were subjected to massive delays.

THE implementation of the Single European Act, simultaneously, on both sides of the border, not only removed bureaucratic barriers, but also led to the dismantling of the physical customs posts along the border. We, who live along the border, saw the benefits of this, literally, overnight.

I am reminded of this when I listen to the gathering debate in regard to possible Brexit.

Discussions on the possible implications of a Brexit on Northern Ireland have intensified both in the UK and on both sides of the border here in Ireland. Peter Mandelson and Boris Johnson have made specific reference in this regard. (Mind you, the position on Brexit taken by the current Northern Ireland Secretary of State, Theresa Villiers, is disconcerting, given the potential changes a Brexit will make to the overall landscape on the island of Ireland).

It's vital that potential voters in this referendum, especially in the North, are aware of the downsides in the event of the UK and Northern Ireland leaving the European Union. Some on the 'leave' side have suggested that politicians, business representatives and pundits from the Republic should stay out of this debate. I'd thoroughly disagree, in that, we, here in the Republic, are inextricably linked to possible knock-on effects of a Brexit.

While some have suggested that nothing dramatic, particularly on land frontiers, will happen, it is obvious that a different scenario will pertain, thereby making it much more difficult for the free movement of goods and services, and, indeed, people from one side of the border to the other.

During my involvement in discussions in our peace process, I constantly emphasised, particularly to unionist politicians, that, while we may disagree on constitutional and political issues, we should proceed to discuss issues of common benefit, particularly economic and social. I always maintained that it made no sense that a small island like ours should have two distinct economic markets, looking in opposite directions.

For instance, during my time as Minister for Communications, Marine and Natural Resources, I advocated and, subsequently, initiated discussions in relation to having an all-island electricity market. Again, I maintained that it made no sense that, on an island with just over 6million people, there should be two separate electricity networks. Today, we have a unified all-island electricity market, to the mutual benefit of people on both sides of the border, in that each side can share electricity loads depending on the need.

Equally, wearing my hat as Minister for Telecommunications, I decried the fact that there were two different mobile telephone networks on either side of the border, leading people living close to the border to have to pay exorbitant roaming charges. This has improved dramatically, thanks to the moves at European leel to reduce roaming charges level across the European Union.

IRELAND and the UK have worked very closely together within the European Union on myriad other issues of mutual interest, and a Brexit would sunder this relationship and influence.

A Brexit will also cause untold difficulties to the ongoing implementation of the Good Friday Agreement. For instance, what would happen to the six **cross-border** bodies, and, particularly, to the Special EU Programmes Body which has responsibility for the management of EU Peace Funds, EU Interreg Funds, and European Structural Funds in Northern Ireland, in the border region of the Republic of Ireland and the border area of western Scotland? Would Northern Ireland lose the much-needed funds it gets from Brussels?

I mention these issues, because, in the event of a Brexit, potentially we, here, on the island of Ireland will go back to separate landscapes in many different areas. While voters in Northern Ireland may cast their vote because of other more topical issues, I would strongly suggest they should also take into account the possible negative implications for the freedom of movement of goods, people and services, such as I've mentioned. The foundation of our peace process was based on the betterment of three relationships on these two islands - namely, between people within Northern Ireland,

between North/South, and between East/ West. I very much fear that a Brexit will put back decades of **cross-border** and inter-island relationships, which had been painstakingly nurtured by many, many people on these two islands.

Source: Irish Daily Mail

22 March 2016

Ireland would gain a little but suffer most from Brexit - Moody's

A VOTE for a British withdrawal from the European Union would hit confidence and growth across the EU, with the fallout felt by Ireland in particular, Moody's Investor Service has warned.

The New York-headquartered agency said some sectors could relocate to Ireland or other countries from the UK, but it said any gains to those countries would be small and gradual.

Sterling was hit yesterday on concerns that divisions within the Conservative Party may be deepening in the wake of the resignation of UK Work and Pensions Secretary Iain Duncan Smith, who is backing the leave campaign, amid a row over last week's budget. One euro is worth around 78 pence, up from 69 pence in July of last year. In a report examining the impact of a so-called Brexit, Moody's said that if UK voters opt to pull out of the European Union on June 23, the wider impact would be felt by Ireland in particular.

"The general uncertainty engendered by a Brexit vote would likely hit confidence across the EU, which could weigh on economic growth," Moody's said. "Any disruption would likely be felt by Ireland in particular, which has strong economic and financial ties to the UK, but also the Netherlands, Germany and Belgium.

"Set against that, certain activities could potentially start to relocate from the UK to Ireland or other EU countries, such as security clearing and dealing activities. However, we would expect any such gains to be small and gradual."

Moody's said that in the shortterm, following a potential vote on June 23 to leave, the initial reaction would be felt on financial markets. But it pointed out that no change would take place immediately as there would be a two-year period of negotiation. "This gradual process of negotiation implies that uncertainty about any new trading arrangements would likely persist for at least two years," Moody's said.

"Indeed, the recent decline in sterling is an indication that markets are already factoring in some uncertainty prior to the vote itself. However, following a vote to leave, uncertainty would increase significantly, weighing on firms' investment, spending and hiring decisions, which would depress GDP growth."

Moody's said the flow of FDI into the UK would also be hit.

The agency said a British exit would be a "credit negative" for the EU as it could heighten the risk of further exits from the European Union, as well as potentially lowering commitment to supporting budgetary outlays or even a commitment to the EU itself over time.

"At the same time, we do not envisage a significant immediate credit impact on other individual countries, such as Ireland," Moody's said.

Meanwhile, a separate study said banks in London would be hit hard in the event of a Brexit.

"Banks and investment firms are likely to be significantly and adversely affected by new restrictions on **cross-border** business," the study by law firm Clifford Chance said. Many banks, including international ones such as JPMorgan, Morgan Stanley and Goldman Sachs, have their European bases in London, the EU's biggest financial centre, and would lose their "passport" under EU law to offer services across the bloc. "This 'passport' is key to the UK's appeal for many non-EU financial institutions," the study said.

Source: Irish Independent