



The Centre for  
Cross Border Studies

## MEDIA WATCH

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**15 April 2016**

EU referendum: A debate that has failed to rise to the occasion; The EU referendum contest swings wildly from the dire warnings of the Remain camp to the chippy jingoism of Leave supporters. What it is crying out for is some hard facts, writes Alex Kane

During the 1975 referendum on the United Kingdom's continuing membership of the then European Community, the UUP, DUP and most of the smaller fringe groups within unionism and loyalism (with the exception of Vanguard, whose deputy leader was David Trimble) lined up in the Leave camp.

Their major concern was the diminution of British sovereignty, particularly the powers of the House of Commons: understandable at the time, I suppose, because Northern Ireland was a very violent and politically/constitutionally unstable place in the mid-1970s.

And there was also a concern within mainstream unionism that continuing membership of the EC could push Dublin and London closer together to the disadvantage of unionism.

Ironically, Sinn Fein was also in the Leave camp, but only because it thought that an improving London/Dublin relationship would work to its disadvantage.

This time around the DUP, TUV, Ukip and most of the fringe elements of unionism and loyalism (along with David Trimble) are still in the Leave camp, while the UUP and Sinn Fein have shifted to the Remain camp.

Opinion polls suggest that it's likely/probable that the UK will vote to stay, yet neither side is taking anything for granted at this stage. But what would happen to Northern Ireland if the United Kingdom did leave the European Union?

The first thing to say is that the debate, so far, has consisted of lobbing self-justifying opinions and conjectures at each other rather than hard, provable, uncontested facts.

That's not surprising, because neither side actually knows what would happen: all they can do is guess and speculate.

Remain warns of economic chaos while Leave argues that we'll be using our own money as we choose to use it. Sammy Wilson seems to think that Northern Ireland farmers and businesses - many of whom say that they do quite well from the EU - would be fine if we leave because the same money would still come to them, albeit from the UK Exchequer.

But would it? If the UK is no longer in the EU then Northern Ireland is just one UK region competing with quite a few other internal regions.

And, because our MPs don't actually have all that much clout within the Conservative or Labour parties, they may find it much harder than Wilson thinks to persuade the Chancellor to make up any shortfalls which would follow a Brexit.

At this stage no one in the DUP can give any financial guarantee to any farmer, businessman, developer or industrialist in Northern Ireland - let alone offer them any safeguards if things don't work out as forecast by Leave.

And the Assembly's next Finance Minister - likely to be from the DUP - may find themselves with an enormous headache and economic hole to fill in the event of Brexit.

Some commentators and politicians have argued that Brexit would endanger the peace process. Dr Francis Costello, a Belfast-based consultant assisting American and Irish companies and organisations in building pan-Atlantic business ties, says: "There are few more effective tools that could be put in the hands of dissident republicans and irredentist loyalists and undermine the spirit of the Good Friday Agreement than to reinstate the border between **North and South.**"

Again, there is no certainty about any of this. The British and Irish governments have come a long, long way since 1975 and the relationship between them is better now than it has been for centuries.

When it comes to the Good Friday Agreement they trust each other, and I think they both recognise that a hardened "physical" border could do huge damage.

Brussels and Washington also recognise that fact, so I'm pretty sure that "arrangements" would - and very quickly - be put in place to ensure that there wouldn't be a hardened border.

The **North-South** institutions remain in place irrespective of EU membership, as do the London/Dublin, Belfast/Dublin connections. It is not in the EU's interests to have instability between the UK and the Republic, or between Dublin and Northern Ireland, so it will give the nod of approval to any "arrangements" concluded between the British and Irish governments.

There's also the Scottish dimension to consider. I've heard some champions of Remain, along with some UUP members, suggest that Brexit would lead to a second referendum in Scotland, which would result in a majority vote to leave the UK and the subsequent unravelling of the Union. But SNP policy is for Scottish independence anyway, so at some point it will be pushing for that second referendum.

My view is that it will find independence a much harder sell if Scotland, along with the rest of the UK, is outside the EU at the time of that referendum. Because, under those circumstances, Scotland not only has to disengage from the UK - at a time when oil/gas

prices are low and with no guarantee of higher stability - it also has to join the EU in its own right, knowing that its closest neighbour and key trading partner, England, is outside the EU. In other words, Brexit makes life very much more complicated for the SNP agenda.

Something else worth considering is: what would happen to the Sinn Fein/DUP relationship in the event of Brexit? As I said earlier, I don't think there would be a hardened "physical" border as a consequence of leaving, yet there could still be problems for Sinn Fein.

Some of its core support, as well as the dissident elements of republicanism, would probably interpret a Leave vote as a huge setback for the "unity project". It would view it as a victory for "unionist nationalism" over the wishes of Scottish and Irish nationalism and that would certainly shift the dynamics in terms of implementing the Good Friday Agreement.

What has concerned me most during the opening weeks of the Brexit debate in Northern Ireland has been the difficulty in focusing on key issues and thinking through the consequences. Neither side has fully acknowledged the fact that they don't know what would happen if the UK leaves.

The other thing that has struck me is why, after 43 years of membership, the Remain camp seems so bereft of a genuinely convincing reason for staying: most of its campaign seems to consist of town-crier-of-Pompeii warnings.

Similarly, the Leave camp seems to think that its chipper, we-can-do-it-for-ourselves jingoism is a credible substitute for clear figures and thought-through, potentially difficult realities.

Brexit would result in a very particular set of consequences for Northern Ireland, for politics here and for the British/Irish relationship. That's the debate we need to have. Those are the consequences we need to understand.

Our vote, which will, I think, be for Remain, will not determine the overall outcome, but we need to be ready if our fellow citizens - the vast majority of whom are English - opt for Leave.

This is the biggest political/constitutional decision that most voters will make in their lifetime: so it would be beneficial if the debate - from both sides - rose to the occasion.

**Source:** The Belfast Telegraph

**17 April 2016**

## Fianna Fail's Micheal Martin urges UK and Dublin to end Stormont 'stranglehold'

Fianna Fail leader Micheal Martin has urged the British and Irish governments to directly intervene in the Stormont power-sharing executive.

Furthermore, he has called for an overhaul in the **North-South** bodies set up under the Good Friday Agreement.

Speaking at his party's annual commemoration of the 1916 Easter Rising, Mr Martin attacked the DUP/Sinn Fein-led administration for wreaking "immense damage" on Northern Ireland's post-peace process institutions.

"We need direct engagement by both the Irish and British governments to end the stranglehold in Stormont by two parties," he said.

"This is doing immense damage to public support for the institutions and public engagement in politics."

Mr Martin has previously accused the DUP and Sinn Fein of pandering only to their own communities while failing to build bridges between them.

Pointing out his own party's "central role" in the 1998 peace accord, Mr Martin said the Good Friday Agreement provided an opportunity to build "not just an absence of war but also lasting reconciliation and development".

"This opportunity is being wasted," he said.

"We need a new beginning in the concept of **North-South** bodies, which have an enormous potential to deliver services and sustained development on both sides of the border."

The **North-South** bodies include Waterways Ireland, Food Safety Promotion Board, Trade and Business Development Body (known as InterTrade Ireland), Special EU Programmes Body, **North/South** Language Body, Foyle Carlingford and Irish Lights Commission and Tourism Ireland.

**Source:** The Belfast Telegraph

**19 April 2016**

## Special Irish trade deal 'impossible' in event of Brexit; British work and pensions secretary, Crabb, warns of likely trade barriers

A British cabinet minister has warned that it could be impossible to make special tariff arrangements for Ireland in the event of a vote to leave the European Union.

The warning from work and pensions secretary Stephen Crabb comes amid signs of concern in Dublin about the outlook for the June referendum.

At a Cabinet briefing last week, ministers in the outgoing government were told that the next administration would need to devote considerable time and political resources to Brexit preparations if UK voters choose to leave.

### **Politically sensitive**

Numerous risks are foreseen but the question of any public intervention in the referendum campaign by the Irish authorities will not be settled by the outgoing Coalition. While this is seen as a matter for the next government, it is sensitive politically in view of anxiety that the Leave camp might seize on any Irish argument against Brexit as an improper intrusion in the UK debate.

Mr Crabb said that, if a post- Brexit UK was relying on its membership of the World Trade Organisation (WTO) to regulate trade with the EU, it would have to offer the same terms to all WTO members.

He was speaking in Bristol at the launch of a 200-page UK Treasury assessment of the economic cost of leaving the EU. The report looked at three options: membership of the European Economic Area, like Norway; a bilateral trade deal with the EU, like Canada; or relying on WTO rules to regulate trade.

"We'd have to decide where to set British import tariffs. Would we choose to set high tariffs on food to protect British farmers? Or would we set low tariffs on food to protect British consumers?" Mr Crabb said.

"Regardless of what we decided on import tariffs, there's a catch. WTO rules would require us to offer the same tariff to all countries. So if we wanted to offer low tariffs to our neighbours in Ireland, we'd have to do the same for all other 160 countries in the WTO."

At present, there are no routine customs controls on imports and exports between the UK and Ireland.

Noting the operation of the common travel area since the 1920s, the Treasury report warned of new customs controls and duties if Britain left the EU customs union.

"Goods being exported across the border could be subject to various forms of customs controls and their liability to duty determined according to complex rules of origin. This would affect the current high level of **cross-border** activity and trade flows," the report said.  
**Northern Ireland**

"Indeed, Ireland is Northern Ireland's single largest export market. The latest data shows 37 per cent (£3.6 billion) of Northern Ireland's goods and services exports go to Ireland.

"In 2014, Northern Ireland manufacturing sales to Ireland were worth £1.4 billion, approximately 10 per cent of Northern Ireland's total external manufacturing sales and equivalent to 37 per cent of Northern Ireland's total domestic sales."

Fergal O'Brien, head of policy at business lobby Ibec, said there was evidence that Irish firms were postponing investment decisions due to uncertainty over the referendum.

"There is investor uncertainty out there that is probably already impacting on board-level decisions or investment projects [among] UK corporations in terms of their investments across Europe, including Ireland, and definitely in Irish companies as well," Mr O'Brien said.

"In a number of cases I think it is giving some companies cause for pause and thought."

**Source:** The Irish Times

**19 April 2016**

## Northern Ireland producers head south to strike deals worth £500k

Two Northern Ireland producers have hit gold with **cross-border** supermarket deals worth almost £500,000.

Co Down yoghurt producer Clandeboye Estate led the way in a deal with Aldi's Republic of Ireland stores worth £250,000.

And Co Tyrone baby and toddler food company Heavenly Tasty Organics also confirmed it shook hands with bosses at Tesco on a (EURO)200,000 (£160,000) deal to supply Irish stores.

Clandeboye Estate in Bangor, owned by Lady Dufferin, said that it had recently installed a second pot filling line in a £70,000 investment to support the new business with the German discounter.

The approach from Aldi followed Clandeboye's success in the yoghurt category in last year's Irish Quality Food and Drink Awards.

Clandeboye Estate will supply its Greek-style and Madagascan Vanilla premium yoghurts in 450g pots to 61 Aldi stores.

General manager Bryan Boggs said: "We are delighted to have won what could prove to be our biggest deal yet in the Republic of Ireland, a key export market for us. Our success in the Irish Quality Food and Drink Awards helped to open the door for us to this very exciting business opportunity with Aldi and with a number of other potential clients in the Republic.

"Aldi was keen to add a premium yoghurt brand to its portfolio there. It's a marvellous boost for us and will move our business in the Republic to a new level," he added.

Clandeboye Estate yoghurt is made with milk from the farm's own award winning Holstein and Jersey herd and is produced using traditional techniques.

The yoghurt began as a farm diversification project driven by Lady Dufferin in 2007.

Meanwhile, Heavenly Tasty Organics will see its products hit the shelves of 71 Tesco stores across the Republic of Ireland.

The deal will be worth (EURO)200,000 (£160,000) over the next year.

The Augher-based company's products are made with ingredients such as spinach, kale, pumpkin and coconut milk.

Managing director and founder Shauna McCarney-Blair said: "We have been working hard on new product development over the last number of months and years to create products which parents want for their children and this deal with Tesco clearly recognises there is a huge demand for our healthy baby and toddler snacking products in the Irish market."

Heavenly baby and toddler snacks are available in 14 countries and are currently on sale at Irish retailer SuperValu.

**Source:** The Belfast Telegraph

## EU exit is bad for Northern Ireland **cross-border** trade: Treasury

Northern Ireland's **cross-border** business with the Republic would be hampered by customs controls if the UK leaves the EU, the Government has warned.

A report from the Treasury has examined the long-term impacts of a Brexit.

And Chancellor George Osborne says the UK will be permanently poorer if it votes to leave the EU, with households £4,300 a year worse off.

The report also highlights that Northern Ireland receives more from the EU than other regions in the UK.

And it says that given more than a third of Northern Ireland's trade in goods and services is with the Republic, leaving the EU "would affect the current high level of **cross-border** activity and trade flows".

"Outside the customs union, goods being exported across the border could be subject to various forms of customs controls, and their liability to duty determined according to complex rules of origin," the report added.

"The latest data shows 37% (£3.6bn) of Northern Ireland's goods and services exports go to Ireland."

The report said that in 2014, the province's manufacturing sales to the Republic were worth £1.4bn - accounting for 10% of its total external manufacturing sales and the equivalent of 37% of its domestic sales.

Mr Osborne warned that the poorest would suffer most from the economic shock of Brexit.

But DUP MP Sammy Wilson has said the Government is "resorting to ever increasingly desperate tactics".

"The latest is these dire predictions about the economic consequences of leaving the EU," he said.

"To suggest that any economic model can predict what our economy let alone the EU and world economy will look like in 14 years' time is totally dishonest."

Meanwhile, another report has claimed Northern Ireland would be worst hit by a Brexit than any other UK region, with decades of **cross-border** trade placed at risk.

But the report from Davy Private Clients also said Northern Ireland could be handed more powers from Westminster if the UK leaves the EU.

Davy Private Clients said: "While the UK is a net contributor to the EU, Northern Ireland as a region is a net beneficiary.

"Most importantly, Northern Ireland is the only part of the UK which shares a border with another EU member country."

And it says it "has taken decades to reach the current fluid movement of trade and people and to open exchange of economic, cultural and political life across this border".

The report points to Northern Ireland's level of trade with the Republic and also says farming and agri-business will be "most at risk" from a Brexit.

"Most at risk is the agricultural sector, of which 82% operates under the EU's Common Agricultural Policy and which is due to receive an estimated (EURO)3bn (£2.4bn) in EU aid for the period 2014-2020."

But aside from a financial impact, the report from Davy also says that there is a "very strong possibility that, following a vote to leave the EU, the UK would need to seek constitutional settlements with Northern Ireland and Scotland".

**Source:** The Belfast Telegraph

## Vote to leave could see Northern Ireland hit with £1bn loss in funding, warns expert

Northern Ireland's economy could lose £1bn a year through the loss of European Union and devolution funding in the event of a Brexit, according to an international expert in regional and urban economics.

Dr Leslie Budd, reader in Social Enterprise at the Open University Business School and Chair of the Urban and Regional Economics Seminar Group (URES), also says loss of research and development (R&D) funding to Northern Ireland's university sector will inhibit **all-island** research on renewable energy, agri-business and sustainable fisheries.

Northern Ireland receives approximately £500m annual funding from the EU and received nearly £2.5bn between 2007 and 2013 with respect to agriculture, structural funds and the PEACE programme.

It is also projected to lose up to £500m per year in so-called Barnett Formula (devolution) Funding when it introduces a new devolved corporation tax rate of 12.5% - equivalent to the Republic's - from 2018.

"Brexit will undermine the logic of a devolved corporation tax in that the relative costs of inward investing firms in the north will rise, as Brexit will increase transactions costs, including the cost of doing business across the border," said Budd.

Budd, author of *The Consequences for the Northern Ireland Economy from a United Kingdom exit from the European Union*, was speaking ahead of a Brexit discussion forum hosted this Thursday by the Foundation for Fiscal Studies.

"Trade is an issue, but as 50% of EU trade is between firms, (regionally based) Global Value Chains are crucial and those linkages and spillovers across the whole of Ireland to the rest of the EU could be broken," added Budd. More than 60% of goods exported from Northern Ireland go to Europe and direct farm payments to farmers there account for almost 90% of farm income.

Some 81% of businesses want to stay in the EU, says the Northern Ireland Chamber of Commerce and Industry - despite high-profile political endorsements for a Brexit by First Minister Arlene Foster and Northern Ireland secretary Theresa Villiers.



Northern Ireland is more vulnerable to a Brexit than elsewhere in the UK, according to forecasters Oxford Economics.

"There is nothing based on the evidence of the past 30 years which suggests that the British Treasury at Whitehall is suddenly going to morph into a benevolent almshouse doling out largesse to Northern Ireland should we leave Europe," said Tom Kelly, chairman of the Northern Ireland Stronger in Europe campaign.

"This is Tweedledum and Tweedledee politics, which puts real people with real jobs at risk," he added.

**Source:** The Belfast Telegraph

**21 April 2016**

## Brexit 'could put UK-Ireland travel and trade arrangements at risk'

The British Government has warned border arrangements guaranteeing free movement of people and goods with the Republic of Ireland could be threatened by a Brexit.

Since the 1920s the UK and Ireland have operated a Common Travel Area (CTA) which allows nationals of both countries to travel and live in each country without immigration controls.

They are part of an EU customs union which means there are no controls on goods.

The Northern Ireland Office (NIO) said: "Without this, goods being exported across the border could be subject to various forms of customs controls and their liability to duty determined according to complex rules of origin."

The department wrote to the Northern Ireland Affairs Committee of MPs and said it was important to business and communities that the border remains fully open.

"The absence of **cross-border** restrictions has both encouraged cooperation and increased trade over the last 20 years."

Overall, around 60% of Northern Ireland's exports go to the EU, with 37% going to Ireland alone.

The statement said: "If the UK left the EU, these arrangements could be put at risk.

"Questions would also need to be answered about how the Common Travel Area, which covers the movement of people, would operate with the UK outside the EU, and Ireland inside."

The Democratic Unionists are campaigning for an exit and have sought to downplay the prospect of security checks on the border, pointing out that it is already covered by an elaborate electronic surveillance system.

The Remain campaign has raised concerns about the impact of an EU withdrawal for free movement between Northern Ireland and the Republic of Ireland.

Northern Ireland Secretary Theresa Villiers favours an exit but the Government as a whole is campaigning to remain.

Ireland's establishment has voiced concern about the impact of a Brexit on Anglo-Irish relations.

**Source:** The Belfast Telegraph

## Irish minister warns of uncertainty over border arrangements in event of Brexit

Dublin's Foreign Affairs Minister Charlie Flanagan has clashed with Northern Ireland Secretary Theresa Villiers over the future of the Irish border in the event of a Brexit.

In the Irish parliament, Mr Flanagan said frontier controls would not be decided by London and Dublin alone if Britain voted to take itself out of the European Union.

"The outcome would be the result of a wider negotiation involving all of the EU and therefore no-one can say with certainty that nothing will change with the border if the UK votes to leave," he said.

His remarks will be seen as a rebuke to claims by Ms Villiers at the weekend that border arrangements between Northern Ireland and the Republic of Ireland would not have to change in the event of a Brexit.

Ms Villiers said the land border would remain as "free-flowing" as it was today because of a special status for Irish citizens in the UK as well as the common travel area which pre-dates EU membership by both countries.

The senior Tory minister also attacked suggestions that Brexit could threaten the peace process as "scaremongering of the most irresponsible and dangerous kind". But Mr Flanagan warned the "practically invisible border is a major symbol of normalisation and development in **north-south** relations".

"Any implications for the current border arrangements would only arise if the UK voted to leave and, in that event, their future would depend heavily on the terms and conditions of a new relationship between the UK and the EU," he said.

"In other words, the border's destiny would not be determined by the sole wishes of the Irish and British governments."

Mr Flanagan was speaking in the Dail, which set aside eight hours to discuss the implications for Ireland if Britain voted to leave the EU in the in/out referendum on June 23.

"In the event that the UK voted to leave the EU, customs posts would not of course be set up overnight," he said.

"A negotiation period of two years or more would apply.

"Ireland would work hard with the UK and with our EU partners to avoid customs posts being established and to preserve the benefits of the common travel area as a whole."

Mr Flanagan appealed for Irish people at home and in the UK to get actively involved in the debate over the coming weeks.

**Source:** The Belfast Telegraph