

CCBS – LEGISLATIVE AFFAIRS

24/06/2016 - 01/07/2016



Northern Ireland
Assembly

Monday 27 June 2016

United Kingdom Withdrawal from the European Union

Summary: Mr Nesbitt moved the following motion: “That this Assembly notes the result of the referendum on European Union membership; and calls on the Executive to set out, in the immediate future, their response to the consequences of the withdrawal of the United Kingdom from the European Union.”

Mr Nesbitt: Mr Speaker, I thank you for allowing the motion. It is right that the first item of business in this Chamber since the referendum should be a discussion of the implications and consequences of what happened at the tail end of last week. I note that Sam McBride, in the 'News Letter', leant on the words of W B Yeats to sum it up. Everything is "changed, changed utterly".

I am not sure that that is right because I believe that what has actually happened is that we have entered an era of uncertainty, an uncertainty that will last years, not months. There is only one certainty, and that is the result. The result is the result. Be in no doubt. We asked the people of the United Kingdom for their view, and the people of the United Kingdom gave us their view. It was to leave the European Union.

The Ulster Unionist Party accepts that result. The result is the result. There is no point in trying to say that it was a non-binding referendum and that Parliament is sovereign. Given the low esteem that many of us as elected politicians here and in other Chambers are held in by the people of the United Kingdom, the last thing we should do is say, "Tell us what you want us to do" and then ignore it and do what we want to do. No: the result is the result. We are on our way out of the European Union. We have to accept that, but I believe that we should also acknowledge that, within Northern Ireland, 56% of the people who voted voted to remain in the United Kingdom. We must acknowledge that. The first question to the First Ministers is: how do they factor that in to how they will deal with the consequences of the referendum?

David Cameron, as Prime Minister of all the people of the United Kingdom, asked for a "Remain" vote, did not get it and has indicated his intention to resign. Nicola Sturgeon, as First Minister of all the people of Scotland, asked for a "Remain" vote in Scotland, got it and, therefore, has a clear

mandate to take to the negotiations that will involve the UK Government and the devolved institutions. Arlene Foster, as First Minister of Northern Ireland, asked for a Brexit vote and did not get it within Northern Ireland, so there is, I believe, a legitimate question to ask of the First Minister.

There is a legitimate question to ask of the First Minister when she goes into those negotiations. How does she balance her party political view for Brexit against the fact that 56% of the people who voted in Northern Ireland said, "Let us remain within the European Union"? I look forward to the First Minister's response to that.

This, however, is not about going over the result: the result is the result. It is about the implications and consequences of the result for the people of Northern Ireland. There are huge consequences, and perhaps some unintended ones. The first consequence for us is that we look to London and recognise the fact that, of the two parties that are capable of governing in Downing Street, neither has a leader with credibility any more. The Prime Minister, Mr Cameron, has indicated, as I said, his intention to stand down. I believe that, this morning, the deputy leader of the Labour Party, Tom Watson, went to his leader, Jeremy Corbyn, and told him to stand down as leader of the Labour Party. We find ourselves with a certain political crisis.

The Member misunderstands the position of the Ulster Unionist Party, which I will come to during the course — [Interruption.] Mr Speaker, I was hoping that, after such a divisive campaign and with the eyes of Northern Ireland, perhaps of the world, on the Chamber this morning, we would have a thoughtful and respectful debate. I hope that we can still do that because —

It is not just about the Peace funds; we all agree that we have done well from them. It is about the competitive drawdown, the common agricultural policy, the single farm payment, universities and the community and voluntary sector. It is about our infrastructure, and we all agree that, to have a vibrant economy, we need to invest in that. I believe that I saw our Minister, Chris Hazzard, out in Brussels a few days ago, discussing the Trans-European Transport Network (TEN-T), which we did very well with when my colleague Danny Kennedy was Minister for Regional Development. In the last Programme for Government, for the first time, we had a target for the competitive drawdown of European funds, and we matched it easily. I would have hoped that we were going to be much more competitive and ambitious in the next Programme for Government, but can we even compete for infrastructure funds?

Over the remaining years, when the withdrawal is being negotiated, why would the European Union give us money for infrastructure projects that would benefit the United Kingdom for the next five, 10, 15 or 20 years? What about corporation tax — the big idea? What happens to corporation tax now? Is there an opportunity here to get it without a hit to the block grant, or has it gone for good? This is the sort of clarity that we seek from our First Ministers.

The Ulster Unionist position was that, on balance, Northern Ireland is better off in the European Union — not the United Kingdom, but Northern Ireland — with a UK Government arguing for further reform and a move back to free trade and away from political union. That is still our position. On the money issue, when we discussed it as an executive, I took my pen and said, "If anybody in the room is prepared to take this pen and write a blank cheque that guarantees that Northern Ireland will not be one penny worse off in the event of Brexit, I will vote for Brexit." Nobody took that pen. I now ask whether the First Minister and the deputy First Minister will take that pen and guarantee our

agriculture sector, universities, voluntary and community sector and everybody else who benefits from European Union money that they will not be a penny worse off. I will leave the pen there for a blank cheque to be signed.

What about the Barnett formula? We know that some Brexiteers, such as Lord Owen, have made the point that the Barnett formula should go. What are the implications for Northern Ireland? Then there is the border. Were we misinformed about the border and the common travel area? I notice that the Taoiseach has said that he will do his "best" to maintain the common travel arrangements; not that he guarantees that they will stay but that he will do his "best". What is the plan in the Executive Office for the border and immigration? What about the future of the United Kingdom? I heard Members say that there is no way that Scotland will press for another vote on independence. I heard Members say that it will not happen because the price of oil has plummeted and Scotland cannot afford it. I said that I did not want my fingerprints on the button that Nicola Sturgeon will press to secure a second referendum. My fingerprints are not on that button, but the fingerprints of the leader of the DUP are, and she will press

What is the future for Northern Ireland as nationalism reacts with anger to the fact that those outwith this part of the United Kingdom have voted for Brexit? I love the United Kingdom. I remain convinced that we, in Northern Ireland, are all better off as part of the United Kingdom. I want an assurance from the First Minister and the deputy First Minister that they will work tirelessly to persuade the people that we are still better off in the United Kingdom, even in the event of this Brexit. There is a lot to answer. The final question to the First Minister and the deputy First Minister is this: why is there no contingency plan to deal with this calamity?

Source: <http://data.niassembly.gov.uk/HansardXml/plenary-27-06-2016.pdf>



Monday 27 June 2016

Department of the Taoiseach

United Kingdom Referendum on European Union Membership:

Summary: Enda Kenny delivered the following statement on the UK referendum on EU membership.

Enda Kenny: Last Thursday, a majority of the United Kingdom electorate made a decision that will have a lasting impact on the future of these islands. On Friday, the Prime Minister, Mr. David Cameron, telephoned me to inform me personally of the result and of his intention to resign. He thanked the Irish Government for its support all through the process. He committed to ensuring there would be early bilateral engagement at senior official level on key issues now arising. These

include Northern Ireland, the Border and the common travel area. That high level contact between officials will take place this week initially. While this is not the result the Government wanted, we fully respect the voters' sovereign choice in the UK.

Both I and my colleagues in government have been clear all along that a Leave result in the referendum would have significant implications at a national, bilateral and international level. Many Members also supported that view and helpfully engaged in advocating Ireland's position, particularly among the Irish and the Irish-connected communities that had a vote. I believe a cross-party approach will be valuable in the time ahead. I briefed Opposition leaders last Friday on contingency plans and the next steps in the EU-UK negotiation process. I was encouraged to hear that Members were willing to use their influence through their own party affiliations in Europe to ensure Ireland's position is well understood. I very much welcome this constructive approach. While the referendum result is not the outcome we wanted, we always knew that this result was possible and we are ready for the challenges ahead.

The stakes have always been higher on this issue for Ireland than for any other EU member state. The reasons for this are well known: first, the economy and the relative importance of each other's markets for trade; second, Northern Ireland, the peace process and British-Irish relations; third, the common travel area and our shared land border; and fourth, the role of the United Kingdom within the European Union and its strategic value to Ireland in that context.

The Irish Government was, therefore, very active throughout this entire process in engaging with the UK Government, and with our EU partners, outlining both our concerns and our interests. We advocated for a "remain" outcome, having regard to the jurisdictional boundaries because that was in our national interests. In parallel, we also deepened our understanding of the implications of a UK vote to leave the European Union. That was also in our national interests. Our primary goal now is to protect and advance those interests.

Prior to last year's general election in the UK, I strengthened my Department's capacity to focus specifically on bilateral relations between Ireland and Britain, including issues that would arise in the context of a change in the European Union-United Kingdom relationship. Work commenced across Government Departments to identify the key strategic and sectoral issues that could arise for us if the UK were to vote to leave the European Union. We have a whole-of-government contingency framework, within which we will continue to track and develop key policy issues and negotiation positions. This will be used in key economic areas such as trade, energy interconnection, social welfare arrangements, education and research co-operation. It will, in reality, extend right across every single area of Government activity. Above all, our contingency management arrangements will prioritise the key political and strategic issues arising from the implications for Northern Ireland, the common travel area and the Border.

We recognise that detailed contingency planning for a Brexit is particularly challenging. This is for a number of reasons: first, we do not know the precise arrangements or the timescale for the UK's withdrawal from the European Union; second, we do not know what the new relationship between the UK and the European Union will be; and third, we do not know who the new British Prime Minister will be and what his or her attitude might be. Nevertheless, we will scale up and intensify work to mitigate risks across Government Departments and in key agencies such as Enterprise Ireland and Industrial Development Authority. Detailed negotiation strategies will be prepared on

each of the key points for use in negotiations in Brussels, London, Belfast and other capitals as appropriate. It is important to recall that Ireland will work within the EU context. At the same time, as everybody knows, we have unique bilateral interests with the UK, including with regard to Northern Ireland. The Government will also have to work bilaterally in close contact with the UK Government and the devolved Administration in Northern Ireland.

I will travel to Brussels tomorrow for a meeting of the European Council, where there will be a first opportunity for a collective response to the situation by all the member states. I will have an opportunity to underline and outline our specific interests and concerns to make clear our national position. Prime Minister Cameron will also attend tomorrow's meeting, where he will have an opportunity to explain to the other 27 EU leaders his own interpretation of the outcome and of the next steps to be taken. However, I expect that on Wednesday morning there will be a substantial discussion among the Heads of State or Government of the 27 other member states, without the presence of the UK. I have no doubt that it will be underlined that Article 50 of the Treaty on European Union is the only legal basis for a member state to withdraw from the European Union. I also want to make clear that it is the European Council, the leaders of the different country, under the direction of President Donald Tusk, and not any other EU institution or subgroup, which will have overall political control of the process involved here.

This is important.

In other governments, there is a full understanding that there has been a political earthquake in the UK, the consequences of which will take some time to work out. I expect that there will be broad consensus that we will need to await the entry into office of a new British Prime Minister before a formal exit notification can be made and so the negotiations on withdrawal are unlikely to commence for some months yet and they will take a considerable time to complete. A two-year timeframe is envisaged in the treaty. As the Ceann Comhairle will be aware, this has never been tested in previous times.

In the meantime, it is important that people are aware that, as I mentioned earlier, the UK has not for now left the EU. Until it does so, following the Article 50 negotiations, it remains a full member with its existing rights and obligations. There will be no early change to the free flow of people, goods and services between our islands. I also want to underline that the withdrawal negotiations will be only one part of the story. They will prepare the way for exit, addressing issues such as the phasing out of UK budget payments, the completion of existing programmes in which the UK takes part, the status of UK officials in Brussels and so forth but they will not address the crucial question of the UK's future relationship with the Union, as a third country outside it.

Separate negotiations on the new relationship between the UK and the EU will therefore take place, if that is what the UK seeks or will seek. It is in this second set of negotiations that such crucial questions as the UK's future trading relationship with the EU and the movement of people to and from the UK will be addressed. It is expected that they will begin and be carried forward in parallel with the withdrawal negotiations.

Ireland's starting point will be straightforward. A stable, prosperous and outward-looking UK is clearly in our own interests and those of the EU as a whole. The closer the UK is to the EU, the better for all of us, and above all for Ireland. However, it will be up to the UK to work out what it wants to

achieve and how it sees its future. That strategy is unclear at the moment. Within the EU, Ireland will argue that the negotiations should be conducted in a positive and constructive way but this will also depend on the UK's approach. I will be encouraging the next British Prime Minister to set realistic and achievable objectives and to build confidence in the UK's good faith. I also want to be clear that in so doing Ireland will not be alone. It is in nobody's interests for the UK and the EU to have anything but the best possible future relations. Among the other twenty-six member states there will be a number of others who, like us, will be particularly anxious to see such an outcome and we will co-operate particularly closely with them. Our first priority will be to ensure that our own specific interests are protected to the maximum possible degree. We will, in parallel, take forward with the UK those matters which can be settled bilaterally, in whole or in part. In many crucial areas, above all those where the EU has the strongest competence such as trade, it will be the outcome of the wider negotiations that will be decisive.

Building on our strong partnerships, political relationships and using our teams of experienced officials in Dublin, Brussels and EU capitals, the Government will ensure the EU approach to these negotiations takes account of Ireland's special concerns and interests, including in relation to Northern Ireland. We have been actively engaging with our counterparts across Europe for some time now to ensure there is a clear understanding and appreciation of these aspects and I am confident that this is so. I also want to make clear that I, or my officials, will be at the table for every major decision on the negotiations.

It is important to recall that the majority of our goods and services exports are to the euro area at 34% and to the US at 17%. The UK accounts for around 16% of our exports. The UK remains a member of the Single Market until such time as negotiations are concluded and overall our trading relationship continues as normal. Currency fluctuations will present some challenges in the short-term for indigenous SMEs and the agrifood sector in particular.

Enterprise Ireland is implementing a plan to help exporters and a short-term strategy identifying other options. Possible instruments will be developed to protect jobs in particularly vulnerable sectors. The impact on enterprise and trade in Border counties will be monitored closely. As part of overall contingency planning a dedicated unit has been established in the Department of Agriculture, Food and the Marine to work on relevant sectoral issues and the Minister will convene a consultative committee of interest groups to ensure a full exchange of information as the negotiations proceed.

Bord Bia will provide practical guidance to SMEs to assist them in dealing with marketing challenges and the management of volatility arising in the short term. The Minister for Jobs, Enterprise and Innovation will be working to ensure there is certainty as early as possible on the terms of future trading relationships, including the extent of access by the UK to the EU's single market.

Of course, Ireland remains a strong, competitive and open economy. Our talent pool, competitive and consistent tax regime and long track record of working with foreign companies is something that companies are interested in. The fact that Ireland is English-speaking and a member of the EU and eurozone is an added attraction. IDA Ireland will continue to market Ireland across the globe as the number one location for foreign direct investment. I noted the comments of its chief executive this morning on his view that the latter half of this year will be particularly strong for job investment from abroad into Ireland.

I welcome the Prime Minister's clear statement that Northern Ireland's interests will be fully reflected in the British Government's negotiating position. The Government fully recognises that the outcome of the UK referendum creates particular concerns in Northern Ireland. I fully understand why many people in Northern Ireland are deeply concerned that Northern Ireland will be outside of a project that has delivered so much for political stability, reconciliation and economic prosperity. We will continue to work urgently and intensively with the British Government and the Northern Ireland Executive to see how collectively we can ensure that the gains of the last two decades are fully protected in whatever post-exit arrangements are eventually negotiated.

All three administrations share the common objective of wanting to preserve the common travel area, which has existed since 1922, and an open border on the island of Ireland. This work has already commenced through a round of telephone calls undertaken on Friday by the Minister for Foreign Affairs and Trade, Deputy Flanagan. Next Monday's plenary meeting of the North-South Ministerial Council in Dublin, which I will chair, will provide an opportunity for the Irish Government and the Northern Ireland Executive to have a strategic discussion around how we are going to work together to protect the interests of all our citizens on the island of Ireland. It will be of particular importance to know exactly what are the main priorities of the Northern Ireland Executive. When these talks and the process eventually concludes it is obviously in Northern Ireland's interest that the Irish Government is able to articulate those priorities, as needs be.

I will travel to Brussels for a meeting of the European Council tomorrow. At that meeting I will clearly set out our national position. I will ensure that our particular national interests are fully respected as we prepare to enter the next phase of negotiations. Given the strength of our relationship with the UK on one hand and our connectedness to the EU on the other, Ireland is in an important position. Our Ministers and officials are well respected and well connected in both London and Brussels. We will not be found wanting in contributing constructively to discussions in the days ahead.

However, let me be absolutely clear that my primary goal is Ireland's national interests, and that goal will be foremost in any discussions with the UK, our EU partners and between the EU collectively and the United Kingdom. References to our corporation tax rate being the possible subject of change are not valid. This is a national competence, and our corporation tax rate will not change. We have resisted every attempt to change it in the past, and we will continue to do so in the future.

These negotiations might not commence for some time. We will play our full part on an issue that will have consequences for many in the years ahead. I hope that working together in Ireland, we can achieve our ambitions, given the new circumstances and the situation that applies. I will keep Members of the House fully apprised and informed.

Source: <https://www.kildarestreet.com/debates/?id=2016-06-27a.5&s=cross-border#g140>