



The Centre for  
Cross Border Studies

# MEDIA WATCH

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**25 May 2018 – 1 June 2018**

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## NI needs a voice at Brexit table, Corbyn says

Northern Ireland needs a voice at the Brexit talks table, said British Labour leader [Jeremy Corbyn](#), as he visited a border bridge as part of his two-day visit to Northern Ireland.

The 480km frontier is one of the most vexed issues facing Brexit negotiators, but Northern Ireland has no ministers to intervene since devolved government at Stormont collapsed more than a year ago.

Mr Corbyn addressed a meeting of business leaders in Derry, pleading with political parties to "come together to re-form a government.

"It is impossible to go through a period so crucial as Brexit negotiations without a voice for Northern Ireland being made at the table by the political classes in Northern Ireland," he said.

"I hope they understand that message and I hope that we can make very rapid progress on that.

"There is to be a transition period but the transition period is not unlimited, that we well know, and crucial decisions are going to be made in the next three months and I understand very clearly the message that you have given me here this morning."

A "backstop" border option if no other deal was reached with the EU would see Northern Ireland and the rest of the UK follow Brussels regulations relating to co-operation on the island of Ireland to protect frictionless all-island trade.

The British government has said it is focused on securing a customs deal that would avoid the need for such a backstop and has ruled out anything that would create a regulatory difference between Northern Ireland and the rest of the UK.

Mr Corbyn walked the Lifford bridge between Northern Ireland and the Republic of Ireland, close to the Co Tyrone town of Strabane, and took selfies with passers-by.

He supports a customs arrangement with the EU to protect trade and ensure no regulatory barriers after Brexit.

**Source: RTE**

**31 May 2018**

## Brexit the start, not the end, of cross-border challenges

IT'S enough to make you weep, really. This month, the all-island integrated electricity market is due to come into operation but, like everything else, under the darkening shadow of Brexit.

The other thing that might be worth a sniffle is how few know there is a single electricity market; still less that it is being upgraded into an integrated one. We are all paying a price for the strange way in which cross-border developments have been kept in the shadows, like some embarrassing family relative.

The electricity market, known as I-SEM, under which power can be traded anywhere on the island, was a product of the Good Friday Agreement, over which there is now so much hand-wringing. It is one of many developments that would have seemed impossible 30 years ago, and have not just been taken for granted, but pretty much ignored in political life.

The major weakness in I-SEM has been the lack of inter-connection across the border. One can buy the power in the other jurisdiction but it may not be possible to deliver it. All-island institutions - the practical manifestations of a united Ireland - come a very poor last behind parish pump politics, evidence-free objections and a self-indulgent legal system.

Whenever such attitudes are questioned, the usual explanation is that one must not upset unionist sensibilities, but it is not just unionists who have sensibilities. Deep down, hardly anyone believes in the political value of these institutions, much preferring idle fantasies and fears.

So it comes about that the essentially unimportant question of where and how lorries are checked, if checked they must be, dominates discussion, while the important Brexit threats struggle to get a mention.

There was no shortage of those in the last few weeks and they all made for a dismal reading. Analysts at the Central Bank calculated that Irish-UK trade could fall by a tenth even in a relatively soft Brexit, where there are no tariffs imposed on trade between Britain and the EU. As the bank says, zero tariffs do not imply zero transaction costs.

In Britain, the revenue authority, HMRC, published similar work on trade between the UK and the whole EU. It dealt with the direct costs of customs procedures, rather than the loss of trade which will result, and found that they could average something like £30 per transaction. That represents £20bn ((EURO)25bn) per year.

Proportionately, that translates into extra costs of more than (EURO)1bn a year for Irish business, which is why the Central Bank sees trade declines of (EURO)5bn a year. The kind of soft Brexit with

no tariffs that British Prime Minister Theresa May seeks, and many Irish firms think is the best they can hope for, would feel anything but soft in practice.

As to how customs procedures might actually be carried out, Jim Harra, deputy chief executive of the UK revenue authority HMRC, told a parliamentary committee that, while there is "a design challenge," in theory customs controls do not have to be operated at the actual borders.

He also said the revenue risks from the UK proposal that small businesses trading across the Irish border should be exempt from all customs controls were "not very significant and could be managed", although they would of course have to be negotiated with the EU - which so far has said "No".

The implications of such a "No" are beginning to emerge. Insofar as any Irish strategy can be inferred from what has happened so far, it is to force the UK to abandon Brexit because of the impossibility of meeting the conditions laid down for the Irish border in any other way. As a strategy, that is simply not credible - especially not the timing.

Decision day is upon us next month and the best that can now be done is to postpone it until October. There are signs that such a move is under way. Incredibly, various politicians - although not many businesses - have complained about such a delay, on the grounds that the Irish question would be put to the end of the Brexit queue.

If the alternative is disaster next March, that may be the best place for it. Even "Remain" Tories would not vote to abandon Brexit at this stage because there was no solution to the Irish criteria. That would be the case even if the DUP had no seats at Westminster, since it is such a blatant attempt to force Britain's hand.

Any amount of research has been done about the scale of disaster in a "hard" Brexit; much of it by Government agencies. Just by way of example, there is the list of "key risks" in the financial industry identified by the Central Bank's Brexit task force - lack of continuity in insurance contracts, loss of authorisation by UK fund managers, disintegration of financial markets themselves and (how timely) different regulation of data protection in Britain and the EU.

Every effort should be aimed at preventing a crisis which would be as big as 2008, and especially to make sure it does not happen because of Ireland. The best result would be that the transition period will be long enough, and instructive enough for Britain, that it abandons Brexit at that stage.

This seems unlikely, which means aiming for second-best. That is when the Irish question becomes pertinent. Played properly, the Irish card might prove the difference between something like the Norwegian model - a consummation devoutly to be wished - and a freetrade agreement between the EU and UK, which would not be at all desirable.

The real point of the border issue is not watchtowers, which re-appeared in the debate again last week, but the fact that Ireland is going to need special arrangements which will be a permanent, evolving feature. Brexit will be the start, not the end, of the Irish issue.

The electricity market shows why. The EU will continue to develop its integrated energy market and at each stage the relationship with the UK market will come up for discussion. How can an

integrated Irish market and energy security fit in with conditions in both the EU and UK? A practice of Britain adopting to what comes out of Brussels, à la Norway, may evolve in this and other matters, but Britain is unlikely to ever have as easy a relationship with the EU as the pragmatic Norwegians do.

More likely, it will gradually diverge, with regular acrimonious negotiations on how its wishes can be reconciled with access to the EU market. The island of Ireland will have to find its own way of living with this situation while maximising its economic potential and making the border not just invisible, but irrelevant.

Once again, the Nordic countries provide a model. Three are in the EU and one is not. Two of those are in the euro and one is not. Three are in Nato and one is not. They have a tangled history and speak different languages. Yet they have created a remarkable degree of shared infrastructure and activities, as well as being the world's most successful economies.

The cross-border institutions like I-SEM already provide the foundation blocks for such co-operation. The objectives are more widely shared between the parties on both side of the border than might be supposed. The politics, however, remain both poisonous and inept. They may yet pull the house down.

**Source: The Irish Independent**