

## **HOW THE EUROPEAN UNION HAS CHANGED IRELAND** **NORTH AND SOUTH**

**Address by Dr. Martin Mansergh at the Annual Conference 2016 of the Centre for Cross-Border Studies dedicated to the theme: *Bordering between Unions: What does the UK Referendum on Europe mean for us?*, Crowne Plaza Hotel, Dundalk, Thursday, 18 February 2016, at 10.45am approx.**

I would like to thank the centre for Cross-Border Studies and its Director Dr. Ruth Taillon, whose contribution to the greater understanding of community issues since the early days of the peace process has been invaluable, for the invitation to address this conference. I am glad to be following in the footsteps of a one-time close colleague Dáithí O Ceallaigh, former Irish Ambassador to London and then until recently Director General of the Institute of European and International Affairs in Dublin, which has been monitoring closely and reporting on a UK referendum, which has huge importance for Ireland North and South. Even leaving aside the specifics of close British-Irish relations, the question of continued British membership of the EU is of legitimate interest and importance to every member of the Union, particularly as all other 27 States have been asked to contribute to a solution of the problems that will have a bearing on the decision to be taken by UK voters, who of course include many Irish citizens, and not only in Northern Ireland.

Looking back over the last century, we can see that Ireland the State, like the many other European nation States founded in the wake of the First World War, experienced a lot of turbulence, internal and external, in its early decades. Whilst surviving existential wartime

threats and completing its sovereignty, strictly confined in reality to 26 counties, continuing emigration and a falling population put a question mark in the 1950s over the continued viability of the State, in terms of it being able to satisfy the minimum economic and social aspirations of its people. It was as if it had adopted in turn the three options discussed in the Treaty debate, moving from Dominion status in 1922 to external association from 1937 and from there to the isolated republic in 1949. But the ideals of the 1916, 1919, 1937 and 1949 Proclamation and, declarations, constitutional and all-party, of an infeasible and unfettered sovereign independence were not enough. Ireland needed, *pace* Robert Emmet, 'to take its place among the nations', and since the 1960s it has proved relatively willing to accept a trade-off between sharing sovereignty and the benefits of European integration. Though de Valera was not an enthusiast, the EEC, now the EU, went some considerable distance towards his ideal of providing a safe environment, where countries of different sizes and strengths could work and flourish side by side, subject to the rule of law, not just the power of the strongest.

This country took longer to realise than those countries that had directly participated in the Second World War that a collection of isolated nation-States was no longer a viable organizing principle for order in Europe. Central and Eastern European States, including East Germany, simply became Soviet satellites. Western Europe, with American help, also needed to come together to prevent further war and invasion, to provide political stability, and to rebuild a social market economy. The ambition of Jean Monnet and other founding fathers was to create an interdependence that would make future conflict impossible and be irrevocable. The historical irony is that Ireland could only join this effort, if Britain led the way, given the extent of its 90% export dependence on the British market, the

sharing of a common currency, and the degree of labour market integration represented by the common travel area.

It is worth reminding ourselves why the British Government of 1962 under Prime Minister Harold Macmillan applied to join the EEC. In a nutshell, it was because the combination of, first, the special relationship with the United States – forged between Macmillan and President Kennedy who were both related by marriage to the Devonshire family – secondly, the Commonwealth, which was then an important international organization, and thirdly, a competing trade body EFTA, to which Ireland, unlike Britain, never belonged, when added up, were insufficient to maintain Britain's power, position, influence, or prosperity in the world. However, despite joining in 1973, a decision endorsed by a two-thirds majority in the 1975 British referendum, with Margaret Thatcher strongly articulating the case to stay, an underlying ambivalence remained, which has now come to a head. Roger Casement, who had been a long-serving British consular official, once described the British as a people 'in Europe, but not of Europe', politically speaking of course.

Although Britain, Ireland and Denmark joined the EEC together in 1973, their paths diverged in many respects after that. Ireland was determined to be a loyal and committed partner, forging closer links with countries like France and Germany and with the European Commission. We had much to gain from the Common Agricultural Policy, from structural and cohesion funds, but also from higher environmental, social and equality standards, and in 1979 we broke with sterling, joined the European Monetary system, and set out on a path which would lead us 20 years later into the Single Currency. Crucially, Ireland adopted with much benefit initially the European social partnership model, the spirit of which is still with us. However, British and Irish interests subsequently converged more in the area

of opposition to tax harmonisation, justice and home affairs, given the Common Travel Area, and tended to the liberal end of employment and financial regulation. The peace process brought the British and Irish Governments much closer together, but their partnership in the EU broadened the relationship, and made it more equal and much less claustrophobic.

It would be wrong to ignore the positive contributions that Britain has made to the EU, first of all in adding weight to EU common foreign and security policy positions. A BREXIT would almost certainly be privately welcomed by Putin's Russia, particularly as it would encourage other centrifugal forces in the EU on both the hard right and the hard left. Secondly, Britain was one of the leading architects and promoters of the Single Market, which is at the economic heart of the EU. Does it really wish to withdraw from it? One of the drawbacks in assessing BREXIT is that no one except the British Government can state authoritatively what form it would take, and they are not going to do so. Thirdly, Mrs. Thatcher signed off on the Channel Tunnel with President Mitterrand, even though she would have much preferred a road.

Above all, Britain was one of the principal champions of enlargement as against alternative French models of circles of association, and along with Ireland, and unlike Germany, was one of the countries to open its labour market to the ten new entrants, mainly from Central and Eastern Europe, that joined the EU as full members on 1 May 2004 during the Irish Presidency. Today's concern about EU migrants' social rights represents a shift in emphasis, and, though emotive, should be both a marginal and manageable issue. Winning a ring-fenced special exemption could be two-edged in its effects, if it makes the UK less attractive to hard workers from Central and Eastern Europe.

Some of Britain's present difficulties are, I believe, connected with non-membership of the Eurozone, which places it in an outer group when Finance Ministers meet. This and other British opt-outs, together with the virtual long-term freezing of the EU Budget at around 1% of GDP, not only stymies any serious notion of a federal European super-state, but underlines the British position of not being part of any drive to a closer European union, all of which has already been agreed, except in principle. The main Eurozone business is transacted by the Eurozone Finance Ministers meeting, which is normally held back-to-back with a broader ECOFIN meeting.

When Tony Blair became Prime Minister in 1997, he was well disposed to joining the Single Currency, but had pledged a referendum first. Ireland's decision to join the Single Currency was taken in the expectation that the UK would follow. The Chancellor of the Exchequer Gordon Brown's benchmark reservations, strong media hostility from the Conrad Black-, Murdoch-, and Rothermere-owned press, and faltering referendum prospects killed Blair's plan. While UK public opinion congratulates itself on avoiding the snares and economic consequences of the Euro, the cost of political marginalization from the EU core is ignored. In an interview with the *Sunday Business Post* on 3 January 2016, Richard Branson of the Virgin conglomerate stated that 'he personally believes that Britain will never become part of the Euro, but that the country would have benefited if it had', and that it was of advantage to Ireland to be a member during the crash (even though it was partly blamed for it).

Despite member States being subject in the relevant areas to the European Court of Justice, and separately to the European Court of Human Rights under the Council of Europe, different member States have their own ways of to a degree protecting their sovereignty. The Germans have a watchful constitutional court, the British emphasize

the rights of Parliament, though the prospect of a majority of EU national parliaments coming together to block an EU initiative seems remote, while Ireland has its requirement to hold a referendum in the case of any substantial Treaty change, which has put a dampener on it as a method of proceeding. Incorporation of the European Convention on Human Rights into Northern Ireland law is written into the Good Friday Agreement, and the British Government understand that they cannot simply back out of this.

The EU is an essential part of the framework of peace in Ireland. Nobel peace prize-winner John Hume, as quoted in a recent *Festschrift*, has described the European Union as ‘the best example in the history of the world of conflict resolution’. Despite the periodic massive slaughter from the Napoleonic wars to 1945, Franco-German reconciliation, which is at the foundation of the EU, is a challenge to those on this island who claim that reconciliation after our Troubles will take generations. Common membership in a wider setting helped create greater balance and respect as well as a need for cooperation between Britain and Ireland. While the EU was a lot less politically interventionist than was the United States latterly, it promoted and co-funded cross-border cooperation as well as peace and reconciliation initiatives, which have helped communities along the border as well as in divided areas of Northern Ireland to get to know each other better. The end of the conflict, combined with the Single European Market, has reduced physical evidence of the border to different coloured road signs and markings.

The British Prime Minister David Cameron is clearly well aware, and knows from the Taoiseach Enda Kenny, of the Irish Government view that BREXIT would be harmful to Irish interests and especially to the good functioning of the peace agreements in Northern Ireland. How it would work from the point of view of the South of England is not

necessarily the same as how it would work in Northern Ireland, the only part of the UK with an international border. In yesterday's *Irish Times*, there was an outlandish suggestion from a London-based hedge fund that BREXIT could force Ireland to quit the EU. In such an eventuality, Ireland will allow its destiny to be determined by professional city speculators. Under any government, we will steer well clear, and do whatever it takes to maintain our position at the heart of the EU with the support and understanding of our other partners. In practice, there would be likely to be on all sides a determination to minimize damage. Nevertheless, it is puzzling that anyone who values the Union is prepared to risk creating favourable circumstances for an early re-run of the Scottish independence referendum that would result from a BREXIT. Former British Prime Minister John Major said recently that, regardless of the current renegotiation, there is still a good case for Britain to remain in the EU.

The forthcoming referendum has already weakened sterling, and created some uncertainty for investors. The positive effect of the reduction in corporation tax in Northern Ireland to 12.5% might very well be cancelled out, if it were to lose unrestricted access to the Single Market. The economic goal in both parts of Ireland is broadly similar, to make maximum advantage of its geographical position between Great Britain and North America, while remaining anchored in a European home market of 500m people. The gains from BREXIT would have to be very palpable to compensate for the loss of that. Ireland's geo-economic position as an island was well summed up in evidence given to a committee of the Irish Parliament in 1798 by Thomas Addis Emmet, United Irishman, elder brother of Robert, and later Attorney-General of New York: 'America is the best market in the world, and Ireland the best situated country in Europe to trade with that market'.