

Ireland and Brexit ^[1]



How will Brexit affect UK-Ireland relations? ^[2]

The UK and Ireland joined the European Economic Community at the same time in 1973, and their current economic and political relationship largely depends on their membership of the EU.

The UK's decision to leave the EU raises questions about a number of areas, including:

- the Northern Ireland peace process, underpinned by the Good Friday Agreement (or Belfast Agreement)
- how to operate the border between Northern Ireland and the Republic of Ireland for people and goods
- preserving co-operation between the North and the Republic, and between the Republic and the UK.

Given the large degree of economic integration between Northern Ireland, Ireland and the UK, the future of the UK-EU trading relationship will be of fundamental importance to the economies of both parts of the island.

How will Brexit affect the peace process in Northern Ireland? ^[3]

The Good Friday Agreement, signed in 1998, brought an end to sectarian conflict and established power-sharing in Northern Ireland. The agreement assumes EU membership for both the UK and Ireland and makes provisions for the UK and Irish governments to co-operate on EU matters.

The Good Friday Agreement allows people born in Northern Ireland to choose either Irish or British citizenship, or both. The UK has stated that it wants this option to continue after Brexit.

The agreement also established special EU funding programmes, known as PEACE ^[4], to reinforce the peace process and support cross-community projects. It also created the North South Ministerial Council (NSMC), which allows the Dublin and Belfast governments to co-operate in various areas, including agriculture, education and transport.

In late 2017 UK, Irish and European officials assessed the impact of Brexit on 142 separate areas ^[5] of cross-border co-operation, which are underpinned by the agreement.

What have the various parties to Brexit negotiations said about the peace process? ^[6]

The UK and Irish governments, the Northern Ireland parties and the European Commission have all agreed that the withdrawal process should not be allowed to undermine the Good Friday Agreement.

Shortly after the EU referendum Arlene Foster and Martin McGuinness, at the time the First Minister and Deputy First Minister of Northern Ireland respectively, wrote to Theresa May ^[7] to note the importance of protecting the peace process and the political settlement in Northern Ireland. They also called for certainty over the future of PEACE funding.

The UK Government has proposed that current PEACE funding, which runs until 2020, should continue and that the UK, Ireland, the Northern Ireland Executive and European Commission should discuss options for continued funding beyond that point.

In December 2017, the UK and European Commission published a joint report ^[8] which set out the progress that had been made ^[9] on the key areas of negotiations. In the report, both sides agreed that "the achievements, benefits and commitments of the peace process will remain of paramount importance to peace, stability and reconciliation" and that the Good Friday Agreement "must be protected in all its parts".

How will Brexit affect people crossing the border between Northern Ireland and the Republic of Ireland? ^[10]

Once the UK leaves the EU, its only land border with the bloc will be the 310-mile line between Northern Ireland and the Republic of Ireland. Decisions need to be made about how to manage the movement of people and goods across that border.

The UK, Ireland and the EU have all committed to maintaining the Common Travel Area (CTA), which has been in place for most of the period since the establishment of the Irish Free State in 1922. The CTA allows free movement of British and Irish citizens between the UK, Ireland, the Channel Islands and the Isle of Man and provides access to various government services in each country.

Ireland will continue to allow freedom of movement for citizens of the other 26 EU member states. The UK envisages ^[11] using inland controls, through the access to labour markets and social security, to enforce immigration policy without requiring checks on people crossing the Irish border.

How will Brexit affect goods crossing the border between Northern Ireland and the Republic of Ireland? ^[12]

The UK, Ireland, Northern Ireland and the European Commission have all signed up to the principle of no hard border between Northern Ireland and the Republic for goods as well as people. However, the UK's current policy is that it is leaving the EU Single Market and Customs Union. This means the border between the North and the Republic will become the EU's external border where customs and regulatory checks would normally take place.

Managing this poses real issues because of the highly integrated cross-border economy – farms, villages and daily commutes all straddle the border. There is also [a risk that any 'physical infrastructure' \[13\]](#) could become a target for terrorists. Our explainer on the [Northern Irish backstop \[14\]](#) considers how the two sides are attempting to solve the challenge of the goods border.

How is Brexit viewed from Northern Ireland? [15]

Due to the breakdown of power-sharing in January 2017, there is currently no Northern Ireland Executive, meaning it has not had a unified voice in Brexit discussions.

The DUP [has been clear \[16\]](#) that it does not want any special status for Northern Ireland that separates it from the rest of the UK. On 4 December 2017, Arlene Foster, the DUP leader, [stated \[17\]](#) that that her party “will not accept any form of regulatory divergence which separates Northern Ireland economically or politically from the rest of the United Kingdom”. But it also does not want to see any changes to the current border arrangements between the North and the Republic. On the insistence of the DUP, the December 2017 joint report confirmed that “the United Kingdom will ensure that no new regulatory barriers develop between Northern Ireland and the rest of the United Kingdom”.

Sinn Féin does not want any form of border between the North and the Republic and [has proposed that \[18\]](#) Northern Ireland be given special status within the EU, thereby allowing “the whole island of Ireland to remain within the EU together”.

Are there any other difficult areas for Ireland resulting from Brexit?

Ireland and Northern Ireland also [share a single electricity market \[19\]](#) and electrical infrastructure. Maintaining this arrangement will require Northern Ireland to continue to comply with EU regulations - while having no say over their development. If it is not maintained, the progress of the single electricity market could be reversed, undoing benefits brought about by increased energy efficiency and competition. A [technical notice from the UK Government \[20\]](#) published in October 2018 noted that if the UK leaves the EU with no deal, electrical supply from Ireland to Northern Ireland could be disrupted.

What are the potential impacts of Brexit on the Irish economy?

One of the problems for the Irish Government is that its economy is highly integrated with the UK. Currently, around 80% of the goods Ireland exports are transported to or through the UK. Ireland also sources 41% of its food imports and 55% of its fuel imports from the UK mainland.

An [assessment from the Irish Ministry of Finance \[21\]](#) in October 2016 noted that Brexit “is expected to have a material negative impact on the Irish economy”. A separate [Irish Government report \[22\]](#) called for “the closest possible trading relationship between the EU and the UK”. [The Irish Government has also set up a scorecard \[23\]](#) that helps Irish businesses think through their preparations for Brexit and established national campaign, including grants for small- and medium-sized businesses to prepare for Brexit.

Can Ireland veto a final Brexit deal?

The agreement on the UK's exit from the EU has to be agreed by a [qualified majority of the remaining EU 27 member states \[24\]](#), meaning that 72% of member states (not including the UK) must agree. It must then be approved by the European Parliament. No one member state has a veto.

However, the agreement on the future relationship between the UK and the EU is likely to be classified as a [‘mixed competence’ agreement \[25\]](#). If it is, it will need to be approved by each of the member states individually, including their national and in some cases regional parliaments. This means that Ireland will have a veto on that deal.

Further information

Read our IfG Insight paper [The Irish border after Brexit \[26\]](#).

Update date:

Monday, October 15, 2018

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[2] <http://twitter.com/intent/tweet?text=How%20will%20%23Brexit%20affect%20UK-Ireland%20relations%3F>

[3] <http://twitter.com/intent/tweet?text=How%20will%20%23Brexit%20affect%20the%20peace%20process%20in%20Northern%20Ireland%3F>

[4] http://www.europarl.europa.eu/atyourservice/en/displayFtu.html?ftuld=FTU_5.1.9.html

[5] <https://www.ft.com/content/3beaa8cc-d366-11e7-a303-9060cb1e5f44>

[6] <http://twitter.com/intent/tweet?text=What%20have%20the%20various%20parties%20to%20%23Brexit%20negotiations%20said%20about%20the%20peace%20process%3F>

[7] <https://www.executiveoffice-ni.gov.uk/sites/default/files/publications/execoffice/Letter%20to%20PM%20from%20FM%20%26%20dFM.pdf>

[8] http://ec.europa.eu/commission/publications/joint-report-negotiators-european-union-and-united-kingdom-government-progress-during-phase-1-negotiations-under-article-50-teu-united-kingdoms-orderly-withdrawal-european-union_en

[9] <https://www.instituteforgovernment.org.uk/blog/its-a-deal-brexit-phase-one>

[10] <http://twitter.com/intent/tweet?text=How%20will%20Brexit%20affect%20crossing%20the%20border%20between%20Northern%20Ireland%20%26%20the%20Republic%20of%20Ireland%3F>

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- [11] https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/638135/6.3703_DEXEU_Northern_Ireland_and_Ireland_INTERACTIVE.pdf
- [12] <http://twitter.com/intent/tweet?text=How%20will%20%23Brexit%20affect%20goods%20crossing%20the%20border%20between%20Northern%20Ireland%20and%20Ireland%3F>
- [13] <http://www.independent.co.uk/news/uk/politics/brexit-irish-border-terrorists-ira-republican-loyalists-northern-ireland-government-hugh-orde-a8081576.html>
- [14] <https://www.instituteforgovernment.org.uk/explainers/northern-ireland-backstop>
- [15] <http://twitter.com/intent/tweet?text=What%20is%20the%20Northern%20Ireland%20view%20of%20%23Brexit%3F>
- [16] <http://www.ft.com/content/011d4abc-ce23-11e7-b781-794ce08b24dc>
- [17] <https://twitter.com/DUPleader/status/937692999697485825>
- [18] http://www.sinnfein.ie/files/2016/The_Case_For_The_North_To_Achieve_Special_Designated_Status_Within_The_EU.pdf
- [19] <https://www.chathamhouse.org/sites/files/chathamhouse/publications/research/2017-05-10-staying-connected-energy-cooperation-brexit-froggatt-wright-lockwood.pdf>
- [20] <https://www.gov.uk/government/publications/trading-electricity-if-theres-no-brexit-deal/trading-electricity-if-theres-no-brexit-deal>
- [21] http://www.budget.gov.ie/Budgets/2017/Documents/Getting%20Ireland%20Brexit%20Ready_final.pdf
- [22] <https://dbei.gov.ie/en/What-We-Do/EU-Internal-Market/Brexit/Government-Brexit-Priorities/Brexit-Irelands-Priorities.pdf>
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- [24] [http://www.europarl.europa.eu/RegData/etudes/BRIE/2016/577971/EPRS_BRI\(2016\)577971_EN.pdf](http://www.europarl.europa.eu/RegData/etudes/BRIE/2016/577971/EPRS_BRI(2016)577971_EN.pdf)
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