

Written Evidence submitted by the Northern Ireland Council for Voluntary Action (BNI0001)

1. Introduction

In this paper, NICVA (the Northern Ireland Council for Voluntary Action) highlights the potential implications of the Brexit process for society in Northern Ireland based on its engagement with the voluntary and community sector and others, and makes a number of recommendations to the negotiating parties to address these implications.

2. Background on NICVA and Brexit

NICVA (the Northern Ireland Council for Voluntary Action) is the umbrella body for the voluntary and community sector in Northern Ireland (NI), which includes over 6,000 organisations employing over 44,000 people in a wide range of activities and services ranging from meeting front-line health and social care needs, to transport services, arts and sports activities, and protection, promotion and enjoyment of our environment. NICVA provides over 1,000 members with information, advice, training and support services, and representation of the sector as a whole.

NICVA began engaging with its members and the wider voluntary and community sector on the issue of Brexit before the 2016 UK referendum in order to understand the potential implications which this decision could have for the sector and for the society it serves. From the outset of our engagement with the sector it was clear that the prospect of Brexit raised a very broad range of concerns and in a pre-referendum survey, 80% indicated they supported remaining in the EU. In view of these concerns and as a leading civil society organisation, NICVA took a broad view on the Brexit question and its potential impacts for wider society and actively supported the remain position and campaign.

More recently, NICVA's engagement has included holding a series of roundtable discussions between sector representatives and the 'Brexit lead' officials in the Department of Justice, The Executive Office, DAERA, the Department of Education, the Department for Communities, the Department of Health and the Department for the Economy. The key issues and recommendations identified in these discussions, along with NICVA's other Brexit-related briefings and position papers can be found on the 'Brexit Hub' of our website at - <http://www.nicva.org/key-issues/eu-referendum-and-brexit>

3. Key concerns around Brexit for NI society

NICVA's engagement with the voluntary, community and social enterprise (VCSE) sector in Northern Ireland and with others, has highlighted five overarching issues of concern with regard to the potential impacts of Brexit for wider Northern Ireland society as a whole. These are –

- Impacts on peace and political stability
- Impacts on economic well-being (related to trade, EU subsidies & programmes)
- Impacts on social, economic and citizens' rights
- Impacts on health
- Impacts on the environment

I. Impacts on peace and stability and the border

Direct support from the EU, not least through successive PEACE programmes, has played a vital role in developing peace and stability in NI. The all-island legal framework that shared EU membership provides on the island of Ireland has also been extremely important to protecting continued peace and stability in NI and for cross-border and all-island co-operation.

The re-establishment of any 'hard' or visible customs, trade and immigration border on the island of Ireland, requiring not only approved freight crossing points but visible enforcement along its length, would have major potential to become the focus of ongoing contention, threaten political stability and the peace process, and pose a direct threat to the progress made in recent decades.

It is vitally and urgently important for the Brexit negotiating parties to fully understand the wider social implications of any border solution requiring visible enforcement as a potentially politically destabilising force, whose knock-on effects could be much more far-reaching than simply adding inconvenience and cost to industry or damaging trade for certain sectors. The extent to which people's everyday lives, including many non-Irish or British EU nationals, are predicated on having a border which is as entirely porous and invisible as that between two neighbouring counties in England must be understood. The case study example of McNamee's Bakery at Appendix 1, highlighted recently in the English language version of Der Spiegel illustrates this vividly. The avoidance of a hard border is not just an economic or technical issue, or even just a political issue, but a wider social one, affecting daily life for tens of thousands of people who cross the border daily to work¹ and study, and those who provide and use vital cross-border services, including healthcare services.

¹ The Centre for Cross-Border studies estimates that a minimum of 23,000 people cross the Irish border daily <http://crossborder.ie/services/information-and-training-services/border-people/>

Furthermore, any border solutions which address the above issues by placing NI but not GB within the EU customs union and/or single market run the risk of political unacceptability to those who view having a trade border between NI and GB as a threat to NI's position within the UK as well as a potential barrier to, and additional cost for trade with GB. Thus it is difficult to envisage any solutions to these issues which will not promote political, and by extension societal division, unless a common solution is found at wider UK level such as UK-wide membership of the customs union and/or single market.

Finally, it should be borne in mind that whatever solution is found to the question of the border, if unsuccessful, will be not be able to be changed or reversed by a simple change in policy or even government, but would depend upon an unknown and unprecedented process of international negotiation. It is therefore vital that unnecessary risks are not taken in choosing a solution that could jeopardise the future peace and prosperity of an entire generation.

II. Impacts on the NI economy, block grant, subsidies and knock-on impacts

Over 60%² of NI exports go to EU countries, including over a third (34%) to the Republic of Ireland. 35%³ of our exports to the EU are in the agri-food sector compared with only 10% for the UK as a whole, raising concerns that future UK trade deals will not prioritise favourable deals for sectors important for Northern Ireland's economy and society, with significant negative impacts for both. Even if trade deals can be struck which favour the wider NI economy in some sectors, it is far from clear that the benefit of these to the NI economy would outweigh the substantial negative impacts which could be felt by sectors important for NI such as the agri-food sector, if the current free access to all-island and EU markets (as well as subsidies) which are vital for these sectors are lost. Such a Brexit outcome could become a driver for increased unemployment, unknown impacts on our environment, and the movement of EU nationals out of the NI workforce and society, to the Republic of Ireland or to other EU countries.

Brexit also poses challenges to other developing sectors, such as Northern Ireland's growing tourism industry which has major room and potential for growth, in terms of lost direct EU support and impacts on the workforce and skills available to it.

The loss of the largest proportion of the EU's financial contribution to NI, namely the c.£325 million p.a. from the CAP, also poses not only a direct threat to the industry but represents a major hole to be filled in the NI block grant. This seems unlikely to be fully filled by UK government spending, and if not, would have to be topped up from NI public funds, placing further pressure on already heavily stretched budgets and competing spending priorities such as health and education, with the potential for wider impacts on NI society as a whole.

² <https://www.publications.parliament.uk/pa/cm201617/cmselect/cmniaf/48/4804.htm>

³ <http://www.bbc.co.uk/news/uk-northern-ireland-36445164>

Alongside this, the loss of EU Structural Funds support of c.£175 million/yr for peace-building, cross-community and border co-operation, rural development, infrastructure projects and European Social Fund for supported employment, meeting specific needs not currently targeted by domestic government funding programmes, if not replaced, could result in further negative social and economic impacts.

The removal of the CAP and CFP systems and EU Structural Funds programmes targeting the issues highlighted above (including PEACE, Rural Development Programme, Interreg) will leave not only an unknown funding gap, but also a policy vacuum. This will demand a fundamental re-think with regard to the interdependent economic, social and environmental policies and programmes that will be needed to address the needs of the Northern Ireland's economy, society and environment. These are issues which for over forty years have been underpinned by a wider European rationale, but which will now need to be addressed, in many cases for the first time, by politicians and officials first at UK, then devolved level.

In addition, it remains unclear whether, post-brexit, the current proportion of the NI public budget accounted for from EU funding would continue to be included in, or subtracted from the future NI block grant allocation, thereby potentially leaving a further significant hole in and pressure on the NI public purse.

III. Protecting our social, economic and citizens' rights

There remains significant uncertainty about how the Brexit process will impact upon the social, economic and citizens' (including citizenship) rights and protections afforded under EU legislation and enforced through EU institutions.

There are also major concerns about the future operation of important EU-based mechanisms to ensure the protection of citizens' rights, such as the European Arrest Warrant which enables EU member States to seek the return of persons wanted for crimes in that country; a concern which has been expressed to NICVA by, amongst others, organisations working to support child protection. Similarly, there is uncertainty on the future of other important EU co-operation mechanisms and standards relating to the criminal justice system, including Europol and Eurojust.

The rights of thousands of people to continue to work and access education and other services across the border between Northern Ireland the Republic of Ireland on a daily basis as seamlessly as they currently do, have all been called into question by Brexit. Likewise, the citizens' (and citizenship) rights afforded by EU membership and by the Good Friday Agreement which was predicated upon NI and ROI's common EU membership have all been called into question.

In addition, whilst all parties have expressed their desire not undermine the freedoms afforded by both the Good Friday Agreement and the UK/Irish Common Travel Area and its associated reciprocal rights, no detailed solutions for doing this have yet been outlined or agreed. This leaves major, and multi-layered uncertainties about what specific citizens' rights, protections will remain, post-Brexit, for people in Northern

Ireland, including both those born there afforded rights under the GFA and CTA/UK/Irish reciprocal arrangements and EU nationals originally from outside the UK/NI or Ireland. Like the question of the border, an unsatisfactory solution to these issues, could be highly damaging both politically and socially, and difficult to reverse or change post-Brexit.

Finally, it also remains unclear how the Northern Ireland Administration will be able to input into the EU Withdrawal Bill process and subsequent amendment of UK/NI law, as well as the development of UK-wide frameworks for issues currently governed by EU law, so that there is balance of legislation and policy between meeting NI specific needs and the needs of the UK as a whole.

IV. Protecting our health

In recent years cross-border collaboration on a range of health issues has begun on the island of Ireland; for example in cardiac paediatric health and through the establishment of a cancer centre in the North West. The 2008-2014, 'Putting Patients, Clients and Families First' programme enabled a suite of cross border services and initiatives to be delivered in the border region. This benefitted 53,000 citizens through the development and implementation of 121 new services (80% of which continued beyond the programmes timeframe)⁴. Plans are currently in place to deliver future cross border activity in areas such as acute hospital services, children's health, mental health, and community health and well-being.

This is a further reason why it is essential to retain the ability to move effortlessly and access healthcare across the island of Ireland, achieving vital economies of scale, and delivering services that are accessible to appropriate cross-border catchment (including less accessible rural) areas, at a time when health budgets and services are under extreme pressure.

V. Protecting our environment

Much of the legislation that governs how we protect and manage our environment including our air quality, levels of pollution, disposal of waste, and the protection of our native species and habitats and environmental assets comes from EU legislation. Under this legislation, NI has committed to the protection of biodiversity and the environment through the designation of 57 Special Conservation Areas (SACs⁵), 16 Special Protection Areas (SPAs⁶) and 34% of our forest and woodland has been designated under the EU Natura 2000 network⁷.

The threat of infraction fines from the EU has, in some cases, ensured we act towards our environmental obligations, for example recent action to halt and seek to

⁴ <http://www.cawt.com/default.aspx?CATID=1030>

⁵ Protected through: European Union Habitats Directive (92/43/EEC)

⁶ Protected through: European Union Wild Birds Directive 2009/147/EC

⁷ <http://www.niassembly.gov.uk/globalassets/documents/raise/publications/2016-2021/2016/aera/5816.pdf>

reverse long-standing damage to Strangford Lough; the UK's first and largest UK marine nature reserve and internationally important marine conservation area. For the sake of this and future generations, as well protecting assets vital for our growing tourism industry, including high value rural sectors such as angling tourism, the UK's withdrawal from the EU must ensure that this protection is not lost.

The removal of the underpinning framework of EU environmental legislation, and its associated environmental management and enforcement mechanisms (e.g. through the European Court of Justice), poses huge questions about what we put in place to replace these, especially to deal with environmental issues that are cross-border and do not respect borders such as cross-border rivers, marine areas and fisheries.

4. Key issues for Northern Ireland society to be considered and addressed

In light of the above challenges, NICVA recommends that the following be prioritised in the Brexit negotiations, to address the needs of Northern Ireland society -

- **A trade solution must be found which will not result in the requirement to enforce a hard customs and immigration border on the island of Ireland**, with all of the attendant risks outlined above. The two 'broad approaches' suggested in the UK Government's position paper on Northern Ireland & Ireland for avoiding a hard border (ie through a yet to be defined 'streamlined UK/EU customs arrangement' delivered through 'negotiated facilitations to reduce and remove trade barriers', and 'technology-based solutions' or through a speculative 'innovative and untested' new UK/EU customs partnership) are fraught with uncertainty, lacking in detail and do not provide confidence that they are either achievable, workable or even desirable. On the other hand, options which have so far been rejected such as retaining UK (and NI) membership of the EEA and/or single market, are tried and tested and could provide that confidence
- **A trade solution must be found which fully factors in the economic, social and environmental importance of sectors important for Northern Ireland's economy and society.** This means maintaining as unfettered access as possible to the EU market for sectors important for NI such as agri-food and manufacturing, ideally through retained NI or UK membership of the single market and customs union, or at worst, if outside the single market or customs union, UK or NI trade deals which support an NI economy with high social and environmental standards and avoids any race to the bottom through inviting less regulated imports competing on lower price
- **A clear, transparent and comprehensive process is needed, involving government, business and the community and voluntary sector, to design replacement economic, social and environmental strategies and associated domestic subsidies and funding programmes**, to address needs no longer met by EU subsidies or programmes post-Brexit, including future targeting of and

support for integrating vulnerable groups into employment, peace and reconciliation building, cross-border co-operation, and rural development. This discussion needs to include consideration of how to maximise retained access to EU support; how the removal of the above subsidies and programmes will be factored in to overall public funding for Northern Ireland; and also how additional funding from the UK Shared Prosperity Fund proposed to replace EU funding will be targeted to meet the current and future needs of NI society

- **Clear proposals need to be made and agreed in relation to** the reciprocal arrangements which will exist post-Brexit between NI and the Republic to sustain and allow the continued development of **cross-border/all-island healthcare** to deliver the Health Transformation Agenda
- **The importance of economic, social and citizenship rights** and freedoms (to travel, work, study, access services) for the everyday lives of people living in rural and border areas, including non-Irish/UK EU migrants living in rural/border areas and to ensure community cohesion, needs to be properly researched and addressed in the Brexit negotiations and final deal
- **A clear, inclusive process** is needed to develop clear domestic replacements for all of the current **environmental legislation, management and enforcement mechanisms** currently delivered by EU membership, particularly in relation to those issues which transcend borders (river, marine, fisheries, air/water pollution)

⁸ Taken the following article in the online English language edition of the German current affair magazine Der Spiegel <http://www.spiegel.de/international/europe/northern-ireland-creating-headaches-for-brexit-architects-a-1164049.html>

Brexit case Study⁸

McNamee's Bakery - Five Different Countries

"When a customer orders a birthday cake in a branch across the border in Ireland, the order is sent to headquarters in Crossmaglen, where [McNamee's] employs four cake bakers, two Croatians who live in Ireland, and one each from Latvia and Lithuania, both of whom live in Northern Ireland. Much of the flour comes from Germany, the margarine from Belgium, the sugar from France and the fruits from Greece and Turkey..... the customer pays in euros, but it appears on the books in Northern Ireland and the company pays its sales tax in pounds. Sound complicated? It's actually quite simple, as long as there isn't a hard border."

In McNamee's Bakery, the men in their white chef hats look as though they are performing a complicated ballet. One throws the dough into baking molds while two others shake the molds to even it out. Four men empty and refill the huge oven, which is the size of a garage. They do so 14 times a day, producing 21,000 loafs of soda bread for the Irish and British markets.



"It is a well-practiced team," says Michael Waddell, who runs the bakery and whose employees come from five different countries.

The bakery is in Crossmaglen, a Northern Irish border town that is still in the process of recovering from its dark history. Beginning in the 1970s, Republican paramilitaries and



the British army transformed the place into a battlefield. Soldiers housed in the heavily defended barracks in the town center only

emerged in helicopters while snipers waited on the surrounding rooftops. Reporters from around the world would drink up their courage in Paddy Short's pub before describing the horrors they had witnessed in the heartland of the Troubles. Those who could, moved away.

Waddell describes a typical cake order when asked what Brexit would mean for McNamee's, which is now the largest employer in Crossmaglen.

When a customer orders a birthday cake in a branch across the border in Ireland, the order is sent to headquarters in Crossmaglen, where Waddell employs four cake bakers, two Croatians who live in Ireland, and one each from Latvia and Lithuania, both of whom live in Northern Ireland. Much of the flour comes from Germany, the margarine from Belgium, the sugar from France and the fruits from Greece and Turkey.

Once finished the next day, the cake is taken across the border, where the customer pays in euros, but it appears on the books in Northern Ireland and the company pays its sales tax in pounds. "Sound complicated?" Waddell asks. "It's actually quite simple, as long as there isn't a hard border."

He says he would love to have the opportunity to speak with Boris Johnson. The foreign secretary produced one of the most memorable platitudes in the platitude-rich history of Brexit when he said: "Our policy is having our cake and eating it."

Expecting the Worst

There are hundreds of companies on both sides of the border that are in the same predicament as Waddell's, and they tend to be expecting the worst. In the 20 years of relative peace that have come following the Good Friday Agreement, the island of Ireland has transformed for them into a single economic entity. More than a third of the milk produced in Northern Ireland is processed south of the border while around 400,000 Irish sheep are slaughtered in the north every year. Even the Guinness brewery, which is headquartered in Dublin, operates a huge canning and bottling facility in Belfast. Fully 30,000 people commute to work across the border each day, including many people from elsewhere in the EU, particularly from Eastern Europe.

But if the UK ends up leaving the EU single market and customs union, goods will no longer be able to pass through the border as freely. Nor will people. Brexit hardliners, after all, have promised to protect their country from "mass immigration" from the EU. British Prime Minister Theresa May said in July that "nobody wants to return to the

borders of the past" -- a pledge that left many wondering: What borders will replace them?

It is inevitable that some sort of border control regime will have to be reintroduced. The EU also has an interest in such checks, if only to prevent products such as chlorinated chicken from finding their way into the bloc via Britain. Some in London have begun speaking of an "E-border," which envisions using technology to monitor the border. While such a thing may sound enticing, the Irish government has said it won't work. Dublin has also said that it cannot be relied upon to help the British construct any kind of border facilities.

Many have begun to fear the tensions that a visible border could produce. If even just one customs official were posted to the region, he or she would have to be sheltered somewhere. And each border structure could become a possible target for radicals from either side. They would have to be secured by police or even by soldiers. Slowly but surely, the border would become visible again -- as would old wounds and new targets. The path to violence is a short one: Even if the division between the two Irelands has become largely invisible today, it is still there.

See - <http://www.spiegel.de/international/europe/northern-ireland-creating-headaches-for-brexit-architects-a-1164049.html>

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