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Ireland's dilemma

Dublin will have to roll with the punches after Brexit shock, writes Bruce Clark The triangle linking Britain, Ireland and continental Europe has been bent into many shapes over the centuries, but one recurring pattern has been collaboration – moral or material – between the smaller island and the continent, so as to thwart or counterbalance the power of Britain.

As Irish schoolchildren still learn, generations of their forebears looked to continental Europe as a source of spiritual and practical support against the oppressor. British strategists, for their part, saw Ireland as a soft under-belly which had to be controlled firmly to prevent it being used by continental foes.

This connection between Ireland and continental Europe survived many eras and ideologies. When Ireland's Catholic bishops and religious orders were repressed, they looked to cities on the continent, from Louvain to Rome, for refuge and education. During the Easter Rising of 1916, the rebels' proclamation of an independent republic hailed the support of 'gallant allies' overseas, a category which included the German Kaiser who shared their hostility to the British empire.

The Irish-continental axis has its fine moments – think of the Irish writers, from James Joyce to Samuel Becket, who flourished on the continent – and its shameful ones: during the Second World War the Irish government took its neutrality so seriously that in 1945, the German embassy in Dublin received a visit of condolence from Ireland's leaders after the death of Adolf Hitler. Even in the early 1960s, the pattern continued. When General Charles de Gaulle was at his most anti-British, he made a point of dealing courteously with Irish politicians.

But a huge, benign transformation began when Britain and Ireland simultaneously joined the European Economic Community in 1973. It is that era which came to an abrupt end when Britain voted itself out of the European Union on June 23.

In 1973, the British and Irish economies were still sulkily conjoined; the commercial symbiosis was so close that Ireland could not have joined the EEC if Britain's negotiations had for some reason failed. And yet, as diplomats from both countries recall, sitting together at the same prestigious European table somehow enabled London and Dublin to start treating one another as adult members of the same family. As (mainly) English-speaking countries with Anglo-Saxon legal systems and a pragmatic approach to problems, they



often found themselves making cc mmon cause in pan-European arguments.

Ireland was more attached to farm subsidies than Britain was; but as the Irish economy metamorphosed, with the advent of impressive high-tech and pharmaceutical industries, the commonality with Britain became even more pronounced. On the spectrum of European opinion, Britain and Ireland were at the relatively pro-business and free-market end. In aviation, for example, the pair stand out as countries that spawned independent airlines – think Easyjet and Ryanair – and have no patience with countries that want to protect their national carriers at all costs.

Being a European partner of Britain enabled Ireland's diplomats, entrepreneurs and artists to spread their wings and develop profitable connections on the continent without forfeiting any of the advantages of the intimate relationship with Britain. And there was no longer any suggestion that Ireland's European successes were at the expense of, or a way of getting

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back at, Britain. The age of zero-sum games seemed to be over.

It was against this background that Britain and Ireland were able to bring peace to Northern Ireland by pressing their respective would-be subjects – broadly, pro-British Protestants and Catholics who favour Irish unity – to enter a deep compromise.

There has been much discussion, both before and since the Brexit vote, over how much the Good Friday Agreement of 1998, ushering in a power-sharing administration in Belfast, is predicated on British and Irish membership of the European Union. At least this much is true: The British and Irish governments, in their joint statement presenting the agreement, said that it flowed from a deep relationship, including participation in the Union; and one of the institutions set up by the accord was a North-South Irish council whose purposes included the joint pursuit of European benefits for the whole island. With or without that council, European programmes designed to foster cooperation between the two Northern Irish communities, and between border regions in the two states in Ireland, have had a deeply stabilizing effect, and helped to make the inter-Irish border virtually seamless.

The prospect of that border becoming 'hard' again – with the customs posts and checkpoints which are now an unpleasant memory – is one of the reasons why Brexit was viewed with such dismay in Dublin. Within days of the vote Irish envoys began lobbying the EU's masters not to respond too vindictively to the referendum. Exemplary punishment meted out on Britain would affect Ireland for many years to come.

No serious-minded person in Great Britain or either part of Ireland would want to see the border reinforced again, or any other obstacle placed in the way of British-Irish trade. But neither country can predetermine the relationship between still-European Ireland and post-Brexit Britain; that will depend on the broader negotiation between Britain and its erstwhile partners. Ireland's economic relationship with Britain is still very significant, even though its reliance on the UK has diminished. Britain takes about 14 per cent of Ireland's exports – down from 50 per cent in the 1970s – and supplies about 30 per cent of Ireland's imports. But the relationship looks closer if you turn your attention to the agri-food sector – half of Ireland's farm exports go to Britain, while Irish foodmakers use a lot of British (including Northern Irish) ingredients.

Some 44 per cent of exports from Ireland's 'indigenous', as opposed to foreignowned, firms go to Britain. Many Irish businesses now fear that Britain will fail to get, or not be willing to pay the price for, a trade deal with the European Union, and as a result its exchanges with the EU will default to World Trade Organization rules and tariffs. That would be deeply disruptive to British-Irish trade.

In short, Ireland may soon be faced with exactly what it has managed to avoid for the past 40 years: a hard choice between friendship with Britain and relationships with continental Europe.

There are a handful of maverick Irish voices who argue that, faced with that awkward choice, Ireland should opt for Britain. It is pointed out, correctly enough, that things will be lonely for Ireland in Brussels without its big British brother; it will now be harder, for example, for Ireland to defend its low corporation tax – seen as vital to the competitiveness of its geographically isolated economy – against French criticism.

But it turns out that history still matters in Ireland. Or rather its ghosts have not been entirely exorcized.

And precisely because of history, it would be politically unthinkable for any Irish government, even the now-ruling Fine Gael party which is free of nationalist baggage, to induce the nation to choose Britain over Europe.

The betting is that Ireland will simply have to roll with the punches as Britain's post-Brexit dislocation depresses the two islands' economic fortunes. As a kind of consolation prize, it will look for new opportunities, such as the possible migration of some financial services from London to Dublin. But such compensations will hardly make up for the depressing prospect of facing a dilemma which seemed to have gone away.

Bruce Clark writes for The Economist

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