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Ireland

Brexit and the North of Ireland

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While overall the UK voted to Leave the EU Northern Ireland was one of the regions, alongside Scotland and London, that voted in favour of Remain. People in the North voted 56% to 44% to stay with 11 out of 18 parliamentary constituencies favouring Remain.

Though the vote did not break down entirely along unionist and nationalist lines it is clear from the returns that bulk of the Leave vote was made up of unionists. The fact that the DUP was at the forefront of the Leave campaign locally also gives some indication of the nature of that vote. The Leave vote in the North was probably even more reactionary than that in Britain with anti-immigrant sentiment being layered over with sectarianism. However, it would be wrong to read anything too progressive into the victory of a Remain campaign that repeated the arguments of the Cameron led faction of the British Conservative party. The nationalist parties adopted similar arguments alongside a rosy-eyed view of the EU in relation to the peace process and Irish unity. To counterpose a "progressive" Europe to Brexit shows the extent to which anti-imperialist and class consciousness has declined.

Economy

Probably the biggest factor in the Remain vote in the North was an awareness of the importance of the EU to the local economy. The EU is Northern Ireland's largest market with £3.6 billion worth of goods and services (accounting for 60 per cent of all exports) exported there every year. When this is broken down by state we find that the most important export market for businesses in the North is the South – with the Irish state accounting for 37 per cent of exports to the EU and 21 per cent of total exports. In the manufacturing sector some 55 per cent of exports go to the EU with the South again accounting for the biggest portion. It is also the case that the value of exports to the EU has been increasing. Over the period (2004 -14), the value of exports to the EU increased by 28 per cent. In every year within this period bar one Northern Ireland recorded a trade surplus with the EU. In addition to trade the EU has been an important source of foreign direct investment. Over the last five years, more than 40 per cent of FDI projects in Northern Ireland have been funded by investment from within the EU. A key factor in both trade and investment has been the north's position – as part of the UK state – within the single market. Indeed, part of the promotional pitch by Invest NI to potential investors is that they can "take advantage of tariff-free access to the world's largest consumer market of over 500 million people".

One of sectors of the north's economy to benefit most from the EU has been agri food. Currently the operation of the Common Agricultural Policy accounts for some 82% of farm income. Last year there were 30,000 applications for the Single Farm Payment. It is estimated that the figure of aid to the agri food sector for the period 2014-20 will be some £3billion. If that level of aid were to be maintained after Brexit it would require at least £260m a year coming from the British exchequer in support payments. In terms of trade the EU is the biggest market for agricultural products with the Irish state alone accounting for an annual export value of £560m.

The north has also benefited from EU administered structural funds and peace monies. Some £2.5 billion (equivalent to approximately 8.4% of GDP) was received from the EU between 2007 and 2013 with a broadly similar amount being available between 2014 and 2020. While a portion of this - the various PEACE programmes - is undoubtedly part of the patronage that underpins the political settlement, there has also been support for various infrastructure projects that are linked to real economic activity. In terms of EU funding the north is a net beneficiary.

This will stop after Brexit and is unlikely to be made up by a future British government especially in a context in which the UK economy is slowing down if not falling back into recession.

What is likely to do the greatest damage to the economy is the disruption to trade and investment that would be caused by the imposition of tariff barriers between the north (UK) and the south (EU) of Ireland. An immediate consequence of the Brexit vote has been the implosion of the Executive's strategy of lowering corporation tax. This was premised on Northern Ireland being part of the single market and also having a comparative advantage over other regions of the UK. The Brexit vote, followed by the chancellor's announcement that he plans to slash UK corporation tax, means that these assumptions, tenuous as they were to begin with, can no longer hold. Overall, Brexit is likely to have a very negative impact on the north's economy.

Politics

The political impact of Brexit is no less significant. Commentators have focused on the potential breakup of the British state and the consequences of that for unionism. However, much of this is just speculation and is based on huge assumptions about a new drive for Scottish independence. The reality is that Brexit is more of a blow to nationalism - both in Scotland and Ireland - than to unionism.

In the north the narrative of the SDLP - and more recently of Sinn Fein - was that the EU was blurring out the border and making Irish unity a more realistic prospect. The EU was also credited with providing the framework that made the peace process and the political institutions possible. The Brexit vote completely overturns a long held perspective of Irish nationalists. The re-appearance of check points customs posts along the Irish border would provide a powerful confirmation of how wrong they have been.

The panicked reaction of Sinn Fein in its call for a border poll illustrates the crisis within nationalism. The argument for this was that the will of the people of the north to Remain in the EU had been thwarted by votes in Britain. Yet there is no reason to believe that that Remain vote would translate into support for a united Ireland. Indeed, recent surveys show that support for Irish unity has never been lower. Moreover, the power to call such a poll is in the hands of British secretary of state who, along with the DUP, immediately rejected it. Notably, it was also rejected by the SDLP and the Irish government. What they proposed as an alternative - and which Sinn Fein quickly got behind after its bungled border poll call - was the creation of an all-Ireland forum on Brexit. The idea behind this was that the Dublin government - as a continuing member of the EU - would look out for the interests of Ireland - both north and south - during the Brexit negotiations. This was very much an assertion the "nationalist family" strategy with echoes of the New Ireland Forum of the 1980's. However, this proposal didn't even get on the agenda of the recent North South Ministerial Council with the Taoiseach conceding that it didn't have the necessary "buy in" from unionists.

Human rights

The new Conservative government in London will also have consequences for the north. Positioning itself even further to the right than the one led by David Cameron it will seek to harness the rabid sentiments aroused by the Brexit campaign. A big element of this will be the severe weakening of human rights legislation. The new Prime Minister, Theresa May, has made the scrapping of the UK's Human Rights and ending the jurisdiction of the European Court of Human Rights her signature political issue. Yet the European Convention on Human Rights is written into the Belfast Agreement. For the British government to unilaterally revoke these provisions would reveal the Agreement to be totally threadbare. However, it would not such a dramatic a change as the gestures towards equality and human rights contained in the Belfast Agreement have been progressively stripped away as the settlement is moulded more and more to the liking of the DUP and the most right wing elements of the British ruling class. Despite the degeneration of the process into a sectarian carve up we are told that by Sinn Fein that things are

progressing well. Brexit won't change the right wing direction of politics in north but it will certainly accelerate it.

The decision of the trade union leadership to sign off on the local version of austerity – the Fresh Start programme – and the decision of the socialist groups to fall in behind them, followed by socialists and eirigi supporting an imaginary “Lexit” has left politics at a low ebb. What is needed is an acceptance of the total bankruptcy of the strategy of compliance with austerity and sectarian carve-up and of the need for a united workers movement that will begin the fightback.

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