



TITHE AN OIREACHTAS

AN COMHCHOISTE UM GHNÓTHAÍ AN AONTAIS EORPAIGH

**CAIDREAMH IDIR AN RÍOCHT AONTAITHE AGUS AN TAONTAS EORPACH SA
TODHCHAÍ: NA CIALLACHAIS A GHABHANN LEIS D'ÉIRINN.**

MEITHEAMH 2015

HOUSES OF THE OIREACHTAS

JOINT COMMITTEE ON EUROPEAN UNION AFFAIRS

UK/EU FUTURE RELATIONSHIP: IMPLICATIONS FOR IRELAND

JUNE 2015

Joint Committee on European Union Affairs

Table of Contents

Chairman's Foreword	4
1. Contextual Background: UK Membership of the EU	8
2. Ireland - UK Inter-dependence	11
3. Northern Ireland.....	14
4. The Four Freedoms	17
4.1 Free Movement of People	18
4.2 Free Movement of Goods and Services.....	22
4.3 Free Movement of Capital.....	26
5. Treaty Protocols: Free Movement/Criminal Justice Issues	28
6. The European Union without the UK	33
7. Ireland's Voice in Negotiations	38
8. Recommendations of the Committee:	40
Appendix 1: Membership	48
Appendix 2: Orders of Reference	50
Appendix 3: Transcripts	56
Appendix 4: List of Witnesses	58
Appendix 5: David Cameron's speeches/opinion piece on UK/EU relationship	60

Joint Committee on European Union Affairs

Chairman's Foreword



In 2013, when Prime Minister David Cameron gave his 'Bloomberg Speech' on his vision for the future of the European Union, it was clear that the Prime Minister was committed to reshaping the United Kingdom's ties with the EU and to grant UK citizens a say on Europe by referendum. Political developments since then, including the re-election of the Prime Minister, now guarantee that a referendum will be held on the UK's future relationship with the EU.

On the 27th May the Prime Minister cemented his commitment to a referendum on the UK's EU membership by publishing the EU Referendum Bill. Contained within the Bill is the question that will be put to the electorate, as well as making clear the franchise for the referendum. Voters will be asked: *'Should the United Kingdom remain a member of the European Union?'*¹.

The Joint Committee of European Union Affairs considers the status of the UK's membership with the EU, and any change in that status, to be of such importance to Ireland, that it was incumbent on the Committee to examine this issue and report on our findings, from an Irish perspective. Indeed, it is the view of the Committee that the Irish Government has a role to play in voicing its opinion, in particular to the Irish Community in the UK and UK citizens in Ireland, on the impact a UK exit would have on Ireland.

¹ <https://www.gov.uk/government/news/government-publishes-eu-referendum-bill>

Joint Committee on European Union Affairs

The Committee believes that Ireland has a legitimate reason for getting involved, namely because it matters more to us than to any other country in Europe. If our neighbour and major trading partner leaves the European Union, Ireland will be in a situation of being in the EU without it for the first time ever.

In examining this issue, the Committee held 8 meetings, heard evidence from 15 witnesses and undertook a fact-finding visit to London. The Committee wishes to express its thanks to all who contributed.

The Committee's view is that an EU without the UK weakens Ireland and Europe. On that basis, the Committee will be playing its part in the debate on UK membership of the EU.

This Report outlines the facts and arguments presented to the Committee during the hearings. The Committee wishes to express its thanks to all who contributed. The Committee has endeavoured to summarise all views expressed. The report presents key findings and makes some recommendations for consideration at this early stage in the process.



Dominic Hannigan, TD

Chairman

18 June, 2015.

Joint Committee on European Union Affairs

1. Contextual Background: UK Membership of the EU

The UK's 'mind-set' to Europe has been somewhat different to that of other 'core' EU Member States. The founding members of the EU experienced, at first hand, the physical devastation of war and the destruction of civil society. A vision for a peaceful and prosperous Europe outweighed the ideals of nationalism and sovereignty, the causes of war, which led to the development of a European community through closer integration of European nations.

The UK joined the then European Economic Community² (EEC) for pragmatic reasons: it is a trading nation and it needed access to the European markets. The European Common Market provided that trading opportunity. Since becoming a member, the UK has been a very active driving force behind core EU policies such as the completion of the Single Market and trade liberalisation.

However, the UK's relationship with the EU has become strained, with the President of the European Parliament, Martin Schultz describing relations like a 'roller coaster ride'.

The UK have always been a very vocal member of the EU even from the start, calling for major changes to the Common Agricultural Policy, fairer methods of financing the budget and solutions to monetary problems within their first year of membership of the EU.

In 1975, the UK held a referendum on whether they should remain a member of the EU. The public voted in favour of remaining in the EU, with 67% of people endorsing continued membership.

Since then there has been a continued power struggle between the UK and the EU, from winning the famous rebate in 1984, to clashes over plans to

² The **European Economic Community (EEC)** was an economic union created by the Treaty of Rome, 1957 and was the forerunner to the European Union.

Joint Committee on European Union Affairs

introduce a levy on banks and restrict London's financial sector, in 2011. The UK has resisted many changes that Europe views as necessary to forge an ever closer union.

The UK Prime Minister, The Right Honourable David Cameron, MP, has stated his agenda for renegotiating Britain's membership of the EU in three fora, namely, in his 'Bloomberg Speech' (January 2013); in an Article in the 'Sunday Telegraph' newspaper (March 2014) and in his keynote speech on 'Immigration' in the West Midlands (November 2014). Taken together, the message is clear. The UK reform agenda includes reform of Europe's immigration rules, expansion of EU trade liberalisation and, critically, no further European integration.

The Bloomberg speech articulates a UK vision for a 21st Century EU, built on five principles:-

- Competitiveness – completing the Single Market
- Flexibility – accommodate the diversity of Member States
- Power must be able to flow back to Member States
- Democratic accountability – a bigger and more significant role for national parliaments
- Fairness – whatever new arrangements are enacted for the Eurozone, they must work fairly for those inside it and out.

The opinion piece published in the Sunday Telegraph newspaper set out the UK priorities for continued membership of the EU. These include the completion of the Single Market, further development of the EU free trade agenda and the concept of a family of all nations, all equally a part of a European Union. The UK rejects an ever closer union; a constant flow of power to Brussels, unnecessary interference in domestic matters; and the Euro currency.

The main aspects of the speech on immigration include:-

- Control over the number of immigrants coming to the UK;

Joint Committee on European Union Affairs

- EU jobseekers to have a job offer before arriving in the UK;
- Time-limits on jobseekers legally remaining in the UK;
- EU jobseekers to leave after 6 months if they have not found work;
- Restricting immigrants from new EU countries until such time as their economies have converged much more closely with existing Member States;
- Reducing incentives for lower paid, low skilled EU workers by linking taxation rights and benefits systems to contributions made to the economy for a minimum of four years; and
- Restricting the right of migrants to bring non-EU family members into the UK.

The recent Conservative Party Manifesto sought and received a mandate from the UK electorate to negotiate a new settlement with the UK's European partners. A referendum will be held on the UK's future relationship with the EU before the end of 2017.

The question arises: 'How will a fundamental change in the UK-EU relationship impact on Ireland?' This is this question that the Committee considers in this Report.

Joint Committee on European Union Affairs

2. Ireland - UK Inter-dependence

Ireland has an **economic, historical, political, social and cultural relationship** with the UK unlike any other Member State (MS) of the EU, which spans centuries and is of great importance to both sides.

The economies of Ireland and the UK are highly inter-dependent, notwithstanding our common access to the wider European Single Market. In **economic terms**, the UK is one of Ireland's major trading partners. Ireland is the UK's fifth largest trading partner. During Ireland's financial crisis in 2009, the UK Government extended a bilateral loan to Ireland of approximately £7 billion sterling, owing to the importance of the UK-Irish economic relationship and the UK's dependence on Ireland as an export market. Ireland's Financial Services Centre (IFSC) has many links with the UK financial services industries.

Irish citizens are deemed 'non-foreign aliens' under UK law, a status afforded to no other nationality or member state of the EU. This stems from our historical and close social ties.

Irish and UK citizens enjoy a '**Common Travel Area**' (CTA) between the jurisdictions, which has functioned prior to our common EU membership. Both countries remain outside of the Schengen Travel area.

Ireland is the only Member State to share a **land border** with the UK. There is free movement of people and goods across this border. The elimination of the border in recent times has been critical in the context of the Northern Ireland peace process.

There is a sizeable **Irish community in the UK** and this includes Irish citizens and UK citizens with Irish ancestry. Figures for Irish citizens living in the UK are estimated to be approximately 400,000. Figures on the wider Irish diasporic community in the UK vary widely, from an estimate of 5 million with an Irish parent or grandparent (10% of the British population) in the 1991

Joint Committee on European Union Affairs

census, to a total of 14 million (24% of the British population) in a 2001 study.³

Ireland is home to a sizeable UK community. In the 2011 Irish census, UK nationals made up the second largest group living in Ireland with 112,259 UK nationals living in Ireland. Ireland and the UK acceded to the EEC together on 1 January 1973. At that time, Ireland's economy was agricultural based and so highly dependent on the UK, joining the EEC without the UK was simply not an option for Ireland.

Since joining the EU, Ireland has been an enthusiastic member. Ireland has sought to establish itself as a small, independent nation in a 'club of equals'. That was politically important to Ireland and remains so. Most commentators agree that Ireland has benefitted from membership of the EU both economically and socially.

Within the EU context, Ireland has always had a **close working and strategic relationship with the UK**. Although not traditionally an ally to Ireland in relation to the Common Agricultural Policy, the UK and Ireland, as similar-minded northern European nations, have many common agendas. These include the completion of the EU Single Market, trade liberalisation with third countries, and better regulation and co-operation in policy and justice matters.

Pragmatically, Irish and UK politicians and civil servants work well together at European level. This is increasingly important in the context of an enlarged EU. Indeed, our shared membership of the EU has played a vital role in bringing our two countries closer together. The **British Irish Parliamentary Assembly** which works to promote co-operation between political representatives in Britain and Ireland has also played a significant role to forge bonds and cement ties between our political and administration systems.

³ Source <http://www.globalirish.ie/issues/how-many-irish-people-live-abroad-an-ean-factsheet/>

Joint Committee on European Union Affairs

Ireland and the UK have the **same spoken language**, which is currently one of the official working languages of the EU, the other being French. Rather ironically, the Irish would remain the last native English speakers in the EU institutions, if the UK were to exit the EU.

Joint Committee on European Union Affairs

3. Northern Ireland

The Committee, when examining the issue of Northern Ireland, considered it only in the context of UK membership of the EU. The Committee heard in evidence that the EU has been a genuine force for good and has helped to foster peace and reconciliation there.

North-South Relations

This is a pillar in the peace settlement in Northern Ireland. The Committee heard that Ireland and the UK's membership helped North-South relations in numerous ways. At a practical level, the EU provides funding for peace and cross-border projects; assisted the formation of North-South implementation bodies, in particular the Special EU Programme to administer INTERREG and PEACE funding; legitimation (internationally) of the Good Friday Agreement (1998). Conceptually, the EU project provides a different view of sovereignty and governance systems.

The Committee heard that the EU funding received to date (although insignificant in an overall budgetary context in Northern Ireland) is nonetheless significant. The funding has concentrated on cross-border initiatives which have led to positive social and political outcomes, in particular, in small cross-border communities.

The Committee also heard that instability in Northern Ireland following a UK exit from the EU could impact significantly on North-South relations. The ongoing fragility of the Good Friday Agreement was referenced. The need to actively engage with our Northern Irish colleagues was highlighted in order to raise awareness of the potential effects that a UK exit from the EU could have on the quality of life of people living north and south of the border, as well as on the border communities.

'The Border'

The Committee heard that in the North-South context, the current ease of travel between north and south of the border is one of the great achievements of the Good Friday Agreement. A UK exit will impact on this and could

Joint Committee on European Union Affairs

potentially reverse this achievement. This would, without doubt, negatively impact the quality of life for border citizens and the stability of the region itself. It could result in issues around freedom of movement in border areas, border controls and customs checking. The result could be a significant psychological impact on those living near the border and consequently on cross-border relations.

The Committee also discussed the border in the wider EU context. It heard that should the UK leave the EU, then the Northern Ireland border would become significant as it would become an external EU border. This would raise considerable challenges for the open borders policy between the UK and Ireland.

North-South Institutions

The Committee heard that the institutions set up under the Good Friday Agreement could also be negatively impacted by UK exit. The North-South Council and related bodies, including the Special European Union Programme Bodies (SEUPB) are integral parts of the Good Friday Agreement which serve to implement the EU INTERREG cross-border co-operation programme of €240 million. A UK exit from the EU would make this body redundant. The Committee also heard that it could also threaten other North-South bodies and would ultimately have a politically destabilising effect on the region, relationships and the Good Friday Agreement itself.

Accordingly, the Committee recommends:-

Recommendation 1. Future of Northern Ireland

That the Irish Government has a voice in relation to the future of Northern Ireland and must feature in EU negotiations with the UK.

Recommendation 2. Northern Ireland

That the Irish and UK Governments negotiate bilaterally to have Northern Ireland recognised (in an EU context) as having 'a special position' in the UK, in view of the Good Friday Agreement. Recommends further that special arrangements be negotiated at EU level in that context, to maintain North-South relations and Northern Irish EU citizenship rights and protections attached to such rights.

Recommendation 3. North-South Bodies

That the Irish and UK Governments work together to put in place contingency arrangements immediately to replace any lost EU funding for cross-border community initiatives, to ensure that progress made under the Good Friday Agreement is not reversed.

Recommendation 4. North-South Relations

That the Irish and UK Governments devise new political linkages to support and maintain North-South relations, in particular in the sectoral specific areas such as agriculture and tourism to mitigate the effects of a UK exit from the EU.

Joint Committee on European Union Affairs

4. The Four Freedoms

The Four Freedoms which underpin the EU Single Market provide for people, goods, services and capital to move freely within the Union's internal borders. These freedoms are fundamental principles which are enshrined in the Article 3, paragraphs 2 and 3 of the Treaty on the European Union. The Committee agreed that the UK's access to the Single Market and its future application of the Four Freedoms were central in examining the implications for Ireland of a possible UK exit from the EU.

UK Access to the EU Single Market

The question of the UK's access to the EU Single Market in the event of its withdrawal from the EU was a recurring theme presented in evidence to the Committee. It is of singular importance from Ireland's perspective as UK access to the Single Market, includes access to the Irish market.

The Committee heard that while the UK will want to remain part of the Single Market, it is unlikely that the other Members States will be willing to offer wide-ranging concessions on the basic entry rules to it, particularly in relation to the Four Freedoms. Hence, it is possible that UK access to the Single Market may be significantly limited in the future. It will not be business as usual. The Committee finds that this point is not widely understood. Put simply, Ireland will remain a member of the EU and the Single Market and the UK will not.

Related to the question of access to the Single Market is the possible imposition of border controls and tariffs between Ireland and the UK. Such measures would significantly impact Ireland's trade with the UK. The free movement of citizens between both countries could also be affected. The Committee heard that this situation would be highly undesirable from an Irish perspective and is of major concern. The following sections of the Report examine the implications for Ireland of a UK exit of the EU in the context of the Four Freedoms.

Joint Committee on European Union Affairs

4.1 Free Movement of People

A Committee delegation met with various UK based stakeholders in London to explore and discuss the UK's attitude to the EU. Based on discussions held, it is clear that much of the EU debate among UK citizens currently centres on the application of the right of 'free movement of people' and its impact on the UK. UK politicians spoke of the perception of 'benefit tourism' and a dependence of EU immigrants on state benefits and on the healthcare system there.

The Committee heard that *'proponents of reform have argued that the existing EU legal framework does not provide for adequate safeguards to ensure free movement without overburdening Member State's public finances'*.

It heard from other witnesses, that the concept of 'free movement of people' is at the heart of the European project. The EU Treaties and legislation set out the rights of EU citizens and their families to move and reside in other EU Member States. The Committee heard that proposals to amend the four freedoms will require reform of the Treaties. If reform of the core principle, the 'free movement of people', is at the heart of the UK question, although not impossible to achieve, it may be very difficult to secure agreement to amend this core EU principle.

The Committee also heard evidence that the UK may seek other key reforms, such as –

- Access to social security payments, including a proposal limiting access to housing benefits, social housing and tax credits for a minimum period;
- Renegotiation of the principle of 'exportability' or reciprocity. This would involve origin states remaining legally responsible for covering unemployment or non-contributory benefits;

Joint Committee on European Union Affairs

- Limiting rights of entry for job seekers through imposition of a requirement that a genuine job offer be in possession of an EU citizen seeking entry to the UK.

As our closest neighbour with traditional flows of job-seekers and retirees, for example, between both jurisdictions, it is clear that Ireland would be particularly impacted in changes in the above rights.

As referred to Section 8 of the Report, Irish and UK citizens enjoy free movement between Ireland and the UK, under the Common Travel Area (CTA) arrangements in place between both jurisdictions. The Committee heard that Irish citizens have never faced immigration or passport controls with the UK. Indeed, Irish citizens are considered 'non foreign aliens' under UK law, a status provided to no other nationality, reflecting the special relationship between both countries.

The CTA can be best described as a travel zone between the UK and Ireland where internal borders are subject to minimal or non-existent border controls. In 2011, an agreement and Memorandum of Understanding was signed by the UK and Irish Governments which is designed to safeguard and strengthen the Common Travel Area arrangements. This indicates a clear intention to progressively strengthen it. The Committee heard that the signing of this agreement, albeit informal, would indicate that the UK wishes to continue treating Irish citizens differently to other EU citizens, in this regard.

The Committee is of the view that UK withdrawal from the EU may have unintended and unwelcome aspects for Ireland and the UK that may adversely impact on the traditional, reciprocal freedom of movement arrangements enjoyed by Irish and UK citizens between jurisdictions. Furthermore, in the context of a reformed UK-EU relationship, that a key objective for Ireland should include the retention of the Common Travel Area (CTA) between Ireland and the UK.

Joint Committee on European Union Affairs

The Committee also heard evidence on the possible scenarios for the UK in order to continue to provide for the free movement of people. These include –

- **European Economic Area (EEA) Member⁴** – the UK would remain within the EEA and continue to participate in the Single Market with a similar status as Norway, Iceland and Lichtenstein. As this option would involve little change to free movement rights from current arrangements, this option is unlikely to satisfy UK proponents of a withdrawal from the EU who are seeking to limit free movement rights of EU citizens.

- **Bilateral negotiations between UK and Member States** – this arrangement would be a similar arrangement to the Common Travel Area between the UK and Ireland. It suggests that the UK negotiate bilateral arrangements with selected EU member states to ensure ‘selective’ free movement rights. However, this option is highly unlikely from a EU perspective, in view of the fragmentation of free movement of rights and implications for the Schengen area states.

- **Application of domestic laws on immigration and repeal of exception provided for EEA citizens** – in this scenario domestic UK laws on immigration would apply and a repeal of the exceptions currently provided to EEA citizens. It is likely that EEA citizens and family members already in the UK may be permitted to stay as permanent residents, or with indefinite leave to remain. Persons who do not have rights to permanent residence and particularly jobseekers would become easier to remove as the EU Free Movement law would no longer apply.

Any of the above scenarios, if introduced as part of the negotiated exit package, would have a significant impact on Ireland. Therefore, the Committee recommends:

⁴ The European Economic Area (EEA) unites the EU Member States and the three EEA EFTA States (Iceland, Liechtenstein, and Norway) into an Internal Market governed by the same basic rules. These rules aim to enable goods, services, capital, and persons to move freely about the EEA in an open and competitive environment.

Joint Committee on European Union Affairs

Recommendation 5. Common Travel Area

That the Irish Government engage immediately in conjunction with the UK government to protect the existing Common Travel Area, as the introduction of any restrictions on the right of the free movement of people may have a significant negative impact on the operation of the CTA between the UK and Ireland.

Recommendation 6. Common Travel Area

That the Irish and UK Governments establish, on a statutory basis, the Agreement and Memorandum of Understanding on the Common Travel Area signed in 2011.

Recommendation 7. EU Border

That no external EU border is established on the island of Ireland separating North from South.

Recommendation 8. Raise Awareness

That the Irish Government engage with the Irish Community in the UK and Northern Ireland voters to raise awareness of the possible impact of any disruption to the Common Travel Area between the jurisdictions.

4.2 Free Movement of Goods and Services

Ireland and the UK have always had close economic ties. Evidence presented to the Committee suggests our economic inter-dependence is demonstrated in general patterns of economic growth in Ireland. For example, Ireland's economic recovery from recession in the mid-1980s is attributed to the recovery of the UK economy and was export led at that time. Some attribute the current Irish recovery, in part, to the current strength of the UK economy.

Trade in Goods and Services

Ireland and the UK trade over €1 billion worth of goods and services every week. This trade is two-way and takes place on the basis of the EU Single Market. Ireland and the UK have had a free trade agreement before joining the EU in 1973. It is also worth noting that 25% of Northern Ireland's trade is with Ireland. It is clear from this level of economic activity that our economies are closely inter-twined.

The Committee heard that Irish exports could decrease by approximately 3.6%⁵ in GDP⁶ terms (or €6.6 billion approx.⁷ or €1454/capita) were the UK to withdraw from the EU and the Single Market. The Committee also heard that should the UK succeed in negotiations and remain in the EU, that this in itself could have an effect on our trade. Should it withdraw, the effect is likely to be much greater.

Irish Agri-Food Sector - Continued Reliance on UK Market

The Committee heard that in 2013, Irish agri-food exports⁸ to the UK amounted to €3.2 billion, out of total merchandise exports to the UK of €13.7 billion. This accounted for 51% of Ireland's total agri-food exports.

⁵ Joint Committee on European Affairs meeting transcript 17 Feb 15 page 3

⁶ GDP (gross domestic product) is an indicator for a nation's economic situation. It reflects the total value of all goods and services produced less the value of goods and services used for intermediate consumption in their production.

⁷ Calculations based on Eurostat figures.

⁸ This figure excluding trade in fish

Joint Committee on European Union Affairs

Similarly, Irish imports of food and agricultural produce from the UK amounted to €2.6 billion, out of total UK merchandise imports of €16.2 billion. This accounts for 51% of Ireland's total agri-food imports.⁹ It is clear that the UK is a major market for Irish food exports and visa-versa.

As a significant indigenous, rural based industry, the Irish agri-food sector is important to Ireland's economy, in particular to regions outside the Dublin area. The agri-food sector employs approximately 50,000 people directly, as well as providing the primary outlet for the produce of 128,000 family farms¹⁰. The Committee heard that the Irish agri-food sector relies more on the UK as a trading partner than Irish industry in general and thus, would be disproportionately affected by any distribution in the Ireland-UK trading relationship.

There are also significant ties between the Irish and Northern Irish agricultural sectors. There is extensive cooperation and it is argued that EU membership on both sides of the border has transformed agriculture to the extent that there is something of a single economic unit in this sector.

Tourism

Britain is Ireland's most important tourism market. Almost 3 million UK citizens visited Ireland in 2013, which was worth €819 million to the Irish economy. The UK is the most visited destination for Irish people travelling overseas. In 2012, more than 2.4 million Irish people visited Britain, spending almost £800 million.¹¹

Irish Investment in the UK

A large number of Irish companies have significant activities in the UK market, including ESB International (power generation); Aer Rianta International (Eurotunnel duty-free; Birmingham airport); and Bord Gáis Éireann, which now

⁹ Implications of British exit from the EU for the Irish agri-food sector – Professor Alan Matthews 17 February 2015

¹⁰ Source <http://www.agriculture.gov.ie/agri-foodindustry/>

¹¹ www.dfa.ie/media/dfa

Joint Committee on European Union Affairs

purchases a significant proportion of its needs via the undersea pipeline to Scotland. The stock of Ireland's Foreign Direct Investment in the UK in 2011 was \$65.2 billion¹². In the period, 2013/14 Ireland was the source of 55 inward investment projects into the UK.

UK Investment in Ireland

The UK is the third largest investor in Ireland, after the US and Germany. The stock of the UK's Foreign Direct Investment in Ireland in 2011 was \$69.2 billion. Key investors in Ireland include AON, AVIVA, Barclays, GSK, Shire and Standard Life. High-street chains such as Tesco, Marks and Spencer and Boots also have a considerable presence in Ireland. As of June 2014 there were 99 UK, IDA client companies operating in Ireland with over 6,200 employees.

Irish Employment

Almost 200,000 people in Ireland are employed as a direct result of Irish exports to the UK¹³. This represents 10.4% of those (currently) employed in Ireland.

Trade Agreements

The Committee heard that under the EU Treaties, Trade Policy is an exclusive competence of the European Union. This means that should the UK exit the EU, Ireland could not bi-laterally negotiate and enter into a trade agreement with the UK. The Committee finds that:

- ❖ Ireland and the UK have a deep-rooted economic inter-dependence. For that reason, Ireland has a special interest in the arrangements the UK might seek to agree as part of the re-negotiations in terms of its future in the EU. Ireland has a vested and vital economic interest in the UK's future relationship with the EU, in particular the UK's access to the Single Market.

¹² Source: OECD FDI Positions 2012

¹³ Source <https://www.dfa.ie/media/dfa/alldfawebstemedial/ourrolesandpolicies/ourwork/statevisit2014/Economic-Facts.pdf>

Joint Committee on European Union Affairs

For this reason, the impact on Ireland's economy should be a consideration at EU level in any agreement on the UK's future relationship with the EU.

The Committee recommends:-

Recommendation 9. Ireland's Economic Interests

That the Irish Government quantify the full potential cost to the Irish economy of a UK withdrawal from the Single Market, in order to ensure Ireland's special status in the context of negotiations with the EU as a vital economic national interest for Ireland.

Recommendation 10. Free movement of Goods and Services

That the Irish and UK Governments work bilaterally to ensure that, in the context of its negotiations with the EU, an accommodation for the continued free movement of goods and services be sought and secured for the highly inter-dependent Irish-UK trading relationship.

Recommendation 11. Trade & Investment – Raising Awareness

That the Irish Government raise awareness among Irish and UK business stakeholders of the potential economic cost of a disruption in Ireland/UK trade and investment.

4.3 Free Movement of Capital

The free movement of capital enables financial markets to be integrated, open, competitive and efficient. For European citizens, it means the ability to conduct financial transactions abroad, such as opening bank accounts, buying shares in non-domestic companies, investing where the best return is, and purchasing real estate. For European business, it principally means being able to invest in and own other European companies and take an active part in their management¹⁴. The free movement of capital is an essential component of the Single Market. The Committee heard that *'despite the UK's non-membership of the Eurozone, the city of London remains Europe's financial capital'*.

UK Exit: Bad for Irish Capital Markets? Total employment in the Irish International Financial Services Centre (IFSC) stands at over 35,000¹⁵. The IFSC is considered by some to be a satellite of the London financial market, with satellite operations in Ireland of London-based operations. Thus, any change in the UK-EU relationship that affects the London financial services sector will impact on the IFSC. Ultimately, the question is, whether the IFSC could stand alone if the UK were to exit the EU? The Committee also heard that most people in the financial industry would agree that *'if the City of London is affected it will not be good news for the IFSC'*.

UK Exit: Good for Irish Capital Markets? The Committee also heard evidence that Ireland, and in particular, the IFSC, may become a desirable location for foreign investors or multi-national companies who want to do business within the EU sphere, if there is continued uncertainty around the UK's membership of the EU. In a recent policy paper published by the Polish Institute of International Affairs, titled *'Brexit Just a Bugaboo: Unravelling the British EU 'Wish List'*, it stated that:–

¹⁴ Source http://ec.europa.eu/finance/capital/index_en.htm

¹⁵ Source <http://www.ifsc.ie/page.aspx?idpage=6>

Joint Committee on European Union Affairs

'With regard to economic policy, the single market, Britain's main economic reason to stay in the EU, is becoming increasingly integrated in more and more aspects, such as services and capital. The hypothetical Brexit could therefore be detrimental to the City of London, forcing the financial headquarters based there to move elsewhere in Europe, possibly to Ireland'.

The Committee therefore makes the following recommendations:-

Recommendation 12. Building Capital Markets Union

That the Irish Government be cognisant of the UK position on any reforms sought in the area of 'Free Movement of Capital', particularly in the context of the current consultation process currently being undertaken by the European Commission on 'Building Capital Markets Union'.

Recommendation 13. Irish Financial Services Centre

That the Irish Government be cognisant of the linkages of UK and Irish financial services markets in the context of the sustainability of the IFSC.

Recommendation 14. Financial Services

That the Irish Government explore ways to secure current arrangements under the free movement of capital, so that Irish citizens and businesses that benefit from UK financial services are not adversely affected by any future reforms that may occur from a change in the UK/EU relationship.

Joint Committee on European Union Affairs

5. Treaty Protocols: Free Movement/Criminal Justice Issues

An EU treaty is a binding agreement between EU member countries. It sets out EU objectives, rules for EU institutions, decision-making processes and the relationship between the EU and its member states. Additions to the main Treaty provisions are annexed, in the form of Protocols.

EU Treaty Protocols

The Treaty on the Functioning of the European Union (TFEU) sets out the operating rules of the EU. There are 37 protocols annexed to that Treaty. Four protocols are relevant for consideration here, as they relate to the power of national parliaments, free movement, border control and co-operation in justice and security issue. Two Protocols relate to Ireland and the UK. These are Protocol 20, on the Common Travel Area and Protocol 21, on Freedom, Security and Justice.

Protocol 1 – Role of National Parliaments in the EU

The UK Prime Minister has stated that *'we need to have a bigger and more significant role for national Parliaments...It is national Parliaments, which are, and will remain, the true source of real democratic legitimacy and accountability in the EU'*. This view was reiterated to the Committee delegation in meetings in London.

Protocol 1 of the TFEU sets out the role of national Parliaments in the EU. It is expected that the UK in negotiations wish to enhance this role further. In discussion with other Member States there is a consensus that the role of national parliaments should be enhanced, with greater emphasis on more co-operation between parliaments. However, most Member States feel that this should be done within the context of the existing Treaties provisions.

Discussions are ongoing between like-minded national parliaments with a view to progressing greater co-operation. A number of parliaments, most notably the Dutch and Danish parliaments and UK House of Lords, have been leading

Joint Committee on European Union Affairs

in initiatives to enhance the role of national Parliaments. One particular initiative that has gained traction which was originally proposed by the UK House of Lords is the Green card initiative. The initiative would see national Parliaments have more of a say in EU law making and is seen as a way for national Parliaments to bridge the gap between the EU and citizens. It is a lively debate seated in the belief that the EU citizen has become disconnected from the political process and that better links need to be forged in that regard. The Houses of the Oireachtas is represented in these discussions and generally supports the UK position.

Protocol 19 – Schengen

In evidence, the Committee heard that Schengen Convention is an international convention designed to remove internal borders and establish a common external frontier. It also establishes common visa, asylum and immigration policies. The Committee heard that there are special rules for Ireland and the UK under 'Schengen', as the only Members States that have not signed the Convention. Ireland could not have signed the Convention without the UK also doing so, as it would disrupt the Common Travel Area already in place between both jurisdictions.

Protocol 20 – Common Travel Area

In the EU context, the Common Travel Area between Ireland and the UK is first acknowledged in the Treaty of Amsterdam (1997). This is also provided for in the TFEU in Protocol 20 which states:

“Having regard to the existence for many years of special travel arrangements between the United Kingdom and Ireland.”

Essentially, it recognises two things (1) the UK and Ireland can continue to exercise border controls and (2) that Ireland and the UK can have special arrangements such as the CTA for the free movement of people between both

Joint Committee on European Union Affairs

countries. The Committee heard that in 2011 an Agreement and Memorandum of Understanding was signed by the Irish and UK Governments to safeguard and strengthen the CTA arrangements as a "*legitimate and fundamental public policy*" for both governments.

The Committee also heard that, *'the recent initiative and the existence of the CTA from the foundation of the Irish State, it appears it would be the intention of the UK government to treat Irish citizens differently from other EU citizens, should withdrawal proceed'*.

However, the provisions of the Protocol appears to imply that if the UK was no longer a member state of the EU, the Protocol would become redundant and by extension, the legal basis in EU law for the CTA would be questionable. This will have implications for both countries, notwithstanding their intentions.

The Committee heard evidence that a 'mini Schengen' arrangement based on the existing concept, might be the best option for the UK and Ireland to continue a Common Travel Area, should the UK opt to leave the EU.

Protocol 21 - Freedom, Security and Justice

Ireland and the UK have a right of 'opt-in' in the case of measures proposed in these areas. In the areas of policing and criminal law matters Ireland and UK generally followed the same path and there is no area in which the two countries have co-operated more.

When the UK opted to extend Protocol 21 into the criminal law area, Ireland seemingly followed suit. This made sense in the context of the similarities of the common law system in both countries and concerns about the integrity of that system. However, the Committee heard five years on that it has become apparent that Protocol 21 fears centered on protecting the features of the

Joint Committee on European Union Affairs

common law system were, perhaps, unfounded and in practice, Ireland has opted into the vast majority of measures proposed.

The Committee heard that in 2013 the UK opted-out 'en-bloc' to all new measures under Protocol 36¹⁶. However, it subsequently opted-back into 35 key measures. This was done for pragmatic reasons, including co-operation with Ireland on Northern Ireland. A report by the House of Lords on the issue is paraphrased,

"opting out of policy and criminal justice measures would have significant adverse negative repercussions for the internal security and the administration of criminal justice in the UK...there is a recognition of the importance of the measure and the acquis...and that it is important to the UK itself."

It is expected that the UK will wish to continue to co-operate with the EU and the UK on criminal justice issues in the future. However, from Ireland's perspective, the ability for continued close co-operation between Ireland and the UK in the criminal justice areas in the future is critical. This should be protected, notwithstanding the future status of the UK as a member or otherwise of the EU. The Committee recommends:-

Recommendation 15. Common Travel Area

That the moment has come to urgently review the CTA (in anticipation) of changing relationships between the UK/EU and Ireland/UK and in particular to address the lack of a bilateral legal basis for the CTA. The Committee further recommend that the Irish Government examine other options, such as 'a mini-Schengen' arrangement between Ireland and the UK, as a possible solution for protection of the CTA.

¹⁶ Protocol 36 deals with Transitional Powers and states that in order to organise the transition from the institutional provisions of the Treaties applicable prior to the entry into force of the Treaty of Lisbon to the provisions contained in that Treaty, it is necessary to lay down transitional provisions.

Recommendation 16. Criminal Justice Affairs

That the ability for continued close co-operation between Ireland and the UK in the criminal justice areas into the future is critical and requires protection, notwithstanding the future status of the UK in the EU.

Joint Committee on European Union Affairs

6. The European Union without the UK

The Committee heard from expert witnesses on the possible impacts an UK exit would have on the EU as an entity, both in terms of the policy direction and practical functioning of the Union.

Witnesses agreed that a UK exit from the EU would have a serious negative impact on the EU itself. Economically, politically, and in terms of world influence, the EU would diminish. The message was clear, that the EU is greater with the UK a core member. Conversely, the message is the same for the UK, that is, economically, politically, and in terms of world influence, it would be negatively impacted if it was to withdraw from the EU. Worryingly, the issue is not being discussed at EU level, as it continues to be seen as a domestic UK issue.

Possible Impacts on the EU:

Shifting Power

There would be a shift in power within the EU if the UK withdraws. The UK has a population of 64million. While the average population size of the remaining EU Member States would fall, the individual power of the larger member states would increase, including France and Germany.

European Parliament

The Parliament would also be changed by a UK exit. The UK Parliamentary delegation is the third largest in the EU Parliament. The Socialists and Democrats Group would be weakened, as the Labour Party is one of the larger parts of this group. The EPP would lose a potential ally in the Conservatives.

South/East Focus

The overall centre of political balance within the EU would also shift, moving both further south and further east.

Joint Committee on European Union Affairs

EU Budget

The UK is a net contributor, notwithstanding its rebate arrangement. In 2012, the UK Treasury estimated that the UK's net contribution to the EU is approx. £7 billion. This loss of revenue would either have to be compensated by the net payers and/or by a reduction in expenditure. The UK also plays a significant role on driving efficiency and reform in the traditional areas of spending such as regional funds and agriculture. The UK succeeded with the support of the other net payers to limit the overall spending in the current round.

The Eurozone

The Eurozone 'block' would become more powerful as the three largest member states would be members of it, leading to a possible marginalisation of non-Euro member states, as the UK would no longer be a part of this group.

Shifting Policy Priorities

Without the UK there may be less focus on issues such as free trade, single market, and business conditions, as the UK has always been one of the strongest proponents of opening markets. The focus on the financial sector may lessen. The Committee heard there would be a tendency to be more interventionist in this area, be it in limitations on bankers' bonuses or in terms of the Financial Transaction Tax (FTT).

Global Actor

Strategically, the EU would become weaker in its global outreach with the loss of the UK as a G7 country, as an important world actor and as a large Member State with economic and diplomatic weight. Whether the UK could maintain its current influence in the global context without EU membership is also questionable.

Joint Committee on European Union Affairs

Positioning of 'Core' Member States

At face value, core Member States of the EU could become more powerful and influential if the UK exits the EU. As core Member States, the UK and Germany have formed coalitions to advance certain policy directions of the EU, for example around free trade and on the EU budget. A UK exit could potentially impact the political and economic direction of the Union as a whole. A UK exit from the EU would be a blow to the EU itself in terms of principle, size and trading potential.

Impact on the UK

The Joint Committee heard that it was difficult to assess the impact of an EU exit on the UK because of the choices that may be available to the UK in re-negotiating an 'exit deal' from the EU. However, the main areas of concern for the UK have been identified as:

The Single Market

The Committee heard that while the UK would want to remain part of the Single Market it is unlikely that the rest of the EU would be willing to offer wide-ranging concessions to the UK on the basic entry rules to it, particularly in relation to the four freedoms. Crucially, access to the single market would depend on the willingness of the UK government to accept rules made elsewhere without a UK political voice. The Single Market without the UK would be reduced in size. It would be reduced economically. It is likely that the UK economy would also be negatively impacted should its access to the Single Market be limited.

The Norway Model

In discussions in London, Members of the Committee repeatedly heard the views expressed by various UK stakeholders that the Norway model, which is often cited as a good model for the UK, has significant costs and obligations

Joint Committee on European Union Affairs

attaching to accessing the Single Market, without a voice at the negotiating table.

Foreign Direct Investment (FDI)

Whether, for instance, the UK remains an attractive location for foreign direct investment (FDI) and how far there would be continued labour mobility would depend on how closely the UK economy remains integrated in the single market.

Scotland and Northern Ireland

The question of the future of Scotland and Northern Ireland within the UK and as part of the EU, arises if the UK decides to exit the EU. The assertion could be made that the future of the UK itself, as an entity, is directly linked with its decision on its status as an EU Member State. This question merits consideration at EU level, in the context of negotiations with the UK on its future. The Irish Government has a voice in relation to the future, in particular, of Northern Ireland in the EU context and must feature in EU negotiations with the UK. Accordingly, the Committee recommends:-

Recommendation 17. UK and the EU

That in view of the negative impact on the EU as a whole of the UK withdrawal from the EU, that negotiation commence immediately to find an accommodation for the UK within the EU without undermining the core values of the EU and if possible, without Treaty change.

Recommendation 18. Bilateral Engagement

The Irish Government engage bilaterally with other member states of the EU to formally notify Ireland's particular concerns regarding a UK exit from the EU.

Joint Committee on European Union Affairs

Recommendation 19. UK Question - An EU Issue

That the Irish Government use its influence in the EU to have the UK question seen as a European issue, not just a domestic UK issue.

Recommendation 20. EU Reform

That reform at EU level be based on the concept of, "Reform for the good of the all EU Member States and the European Union itself" to limit any contagion effect.

Joint Committee on European Union Affairs

7. Ireland's Voice in Negotiations

It is now known that a referendum on the UK's relationship with the EU will be held. Based on the evidence presented to the Committee, it is also clear that Ireland must pay particular attention to the negotiations on a 'new deal' for the UK in the EU. The outcome of these negotiations will form the basis of a referendum which will ultimately be decided by the UK electorate before the end of 2017.

Ireland **must be involved** from the outset in these negotiations based on the special status of the Irish/UK relationship and that the UK/EU relationship is a 'vital national interest' to Ireland.

The Committees finds that:

- ❖ the UK's relationship with the EU is a **vital national interest to Ireland**;
- ❖ Ireland's membership of the European Union has been closely linked with the UK's participation;
- ❖ Ireland has a voice in the debate of any change that may occur in the UK's relationship with the EU, not only as an EU Member State, but also based on Ireland's bilateral relationship based on our economic, historic, social, cultural and geo-political ties with the UK, which is unique;
- ❖ geographically and politically, without the UK, Ireland could find itself isolated and on the periphery, being the only Atlantic island nation member of the EU;
- ❖ Ireland would lose a strategically important like-minded partner/ally within the EU, in the event of the UK withdrawal from the EU.

Joint Committee on European Union Affairs

The Committee recommends:-

Recommendation 21. Vital National Interest

That the Irish Government is involved from the outset in all negotiations on the UK relationship with the EU, as UK's membership of the EU is an issue of vital national interest to Ireland.

Recommendation 22. 'Red Line' issues

That the Irish Government identify Ireland's 'red line' issues to be accommodated in the context of UK/EU negotiations.

Recommendation 23. Ireland's Special Status

That the negotiated 'exit or reform package' for the UK respects the special status of the Irish/UK relationship and that all existing bilateral arrangements between Ireland and the UK are maintained including citizenship arrangements, unrestricted travel and trade arrangements and unhindered borders.

Recommendation 24. An Irish Voice

That Ireland's voice is expressed and heard in relation to the '**Irish Dimension**' in the debate on the referendum.

Joint Committee on European Union Affairs

8. Recommendations of the Committee:

The recommendations of the Committee, **24** in total, are grouped in thematic order below.

- **Ireland's Place in Negotiations**

Recommendation 21. Vital National Interest

That the Irish Government is involved from the outset in all negotiations on the UK relationship with the EU, as UK's membership of the EU is an issue of vital national interest to Ireland.

Recommendation 22. 'Red Line' Issues

That the Irish Government identify Ireland's 'red line' issues to be accommodated in the context of UK-EU negotiations.

Recommendation 23. Ireland's Special Status

That the negotiated 'exit or reform package' for the UK respects the special status of the Irish/UK relationship and that all existing bilateral arrangements between Ireland and the UK are maintained including citizenship arrangements, unrestricted travel and trade arrangements and unhindered borders.

Recommendation 24. An Irish Voice

That Ireland's voice is expressed and heard in relation to the Irish dimension in the debate on the referendum.

Joint Committee on European Union Affairs

- **Ireland-UK Common Travel Area**

Recommendation 5. Common Travel Area

That the Irish Government move immediately, in conjunction with the UK government to protect the Common Travel Area, as the introduction of any restrictions on the right of the free movement of people may have a significant negative impact on the operation of the CTA between the UK and Ireland.

Recommendation 6. Common Travel Area

That the Irish and UK Governments establish, on a statutory basis, the Agreement and Memorandum of Understanding on the Common Travel Area signed in 2011.

Recommendation 15. Common Travel Area

That the moment has come to urgently review the CTA (in anticipation) of changing relationships between the UK/EU and Ireland/UK and in particular to address the lack of a bilateral legal basis for the CTA. The Committee further recommends that the Irish government examine other options such as 'a mini-Schengen' as a possible solution for protection of the CTA.

Recommendation 7. EU Border

That no external EU border be established on the island of Ireland separating North from South.

Recommendation 8. Raise Awareness

That the Irish Government engage with the Irish Community in the UK and Northern Ireland voters to raise awareness of the possible impact of any disruption to the Common Travel Area between the jurisdictions.

Joint Committee on European Union Affairs

- **Ireland/UK Economic Interdependence**

Recommendation 9. Ireland's Economic Interests

That the Irish Government quantify the full potential cost to the Irish economy of a UK withdrawal from, in particular, the Single Market, in order to assure Ireland special status in the context of negotiations with the EU as a vital economic national interest for Ireland.

Recommendation 10. Free Movement of Goods and Services

That the Irish and UK Governments work bilaterally to ensure that, in the context of its negotiations with the EU, an accommodation for the continued free movement of goods and services be sought and secured for the highly inter-dependent Irish-UK trading relationship.

Recommendation 11. Trade & Investment – Raising Awareness

That the Irish Government raise awareness among Irish and UK business stakeholders of the potential economic cost of a disruption in Ireland/UK trade and investment.

Recommendation 12. Building Capital Markets Union

That the Irish Government be cognisant of the UK position on any reforms sought in the area of 'Free Movement of Capital', particularly in the context of the current consultation process being undertaken by the European Commission on 'Building Capital Markets Union'.

Recommendation 13. Irish Financial Services Centre

That the Irish Government be cognisant of the linkages of UK and Irish financial services markets in the context of the sustainability of the IFSC.

Recommendation 14. Financial Services

That the Irish Government explore ways to secure current arrangements under the free movement of capital, so that Irish citizens and businesses that benefit from UK financial services, are not adversely affected by any future reforms that may occur from a change in the UK/EU relationship.

- **Co-operation in Criminal Justice Affairs**

Recommendation 16. Criminal Justice Affairs

That the ability for continued close co-operation between Ireland and the UK in the criminal justice areas into the future is critical and requires protection, notwithstanding the future status of the UK in the EU.

- **Northern Ireland**

Recommendation 1. Future of Northern Ireland

That the Irish Government has a voice in relation to the future of Northern Ireland and must feature in EU negotiations with the UK.

Recommendation 2. Northern Ireland

That the Irish and UK Governments negotiate bilaterally to have Northern Ireland recognised (in an EU context) as having 'a special position constitutionally' in the UK, in view of the Good Friday Agreement. Recommends further that special arrangements be negotiated at EU level in that context, to maintain North-South relations and Northern Irish EU citizenship rights and protections attached to such rights.

Joint Committee on European Union Affairs

Recommendation 3. North-South Bodies

That the Irish and UK Governments work together to put in place contingency arrangements immediately to replace any lost EU funding for cross-border community initiatives, to ensure that progress made under the Good Friday Agreement is not reversed.

Recommendation 4. North-South Relations

That the Irish and UK Governments devise new political linkages to support and maintain North-South relations, in particular in the sectoral specific areas such as agriculture and tourism to mitigate the effects of a UK exit from the EU.

- **The UK Question at EU Level**

Recommendation 17. UK and the EU

That in view of the negative impact on the EU as a whole of the UK withdrawal from the EU, that negotiations commence immediately to find an accommodation for the UK within the EU, without undermining the core values of the EU and if possible, without Treaty change.

Recommendation 18. Bilateral Engagement

That the Irish Government engages bilaterally with other Member States of the EU to articulate Ireland's particular concerns regarding an UK exit from the EU.

Recommendation 19. UK Question - An EU Issue

That the Irish Government use its influence in the EU to have the UK question seen as a European issue, not just a domestic UK issue.

Recommendation 20. EU Reform

That reform at EU level be based on the concept of, "Reform for the good of all EU Member States and the European Union itself" to limit any contagion effect.

Joint Committee on European Union Affairs

Appendix 1: Membership

Deputies: Dominic Hannigan TD (LAB) (Chairman)
Eric Byrne TD (LAB)
Seán Crowe TD (SF)
Timmy Dooley TD (FF)
Bernard J. Durkan TD (FG)
John Halligan TD (IND)
Derek Keating TD (FG)
Seán Kyne TD (FG) (Vice-Chairman)
Joe O'Reilly TD (FG)

Senators: Colm Burke (FG)
Terry Leyden (FF)
Aideen Hayden (LAB)
Catherine Noone (FG)
Kathryn Reilly (SF)

Joint Committee on European Union Affairs

Appendix 2: Orders of Reference

Dáil Éireann on 8 June 2011 ordered:

- (1) Go gceapfar Roghchoiste, dá ngairfear an Roghchoiste um Ghnóthaí an Aontais Eorpaigh, ar a mbeidh 9 gcomhalta de Dháil Éireann, chun breithniú a dhéanamh ar cibé nithe a éiríonn—
- (a) as ballraíocht na hÉireann san Aontas Eorpach agus
- (b) as Éirinn do chloí leis an gConradh ar an Aontas Eorpach agus leis an gConradh ar Fheidhmiú an Aontais Eorpaigh
- a roghnóidh sé agus nach bhfuil tarchurtha chuig aon Choiste eile.
- (2) Gan dochar do ghinearáltacht mhír (1), breithneoidh an Coiste—
- (a) cibé Billí a bpléann an Roinn Gnóthaí Eachtracha agus Trádála leis an dlí reachtach ina leith,
- (b) cibé tograí a bheidh in aon tairiscint, lena n-áirítear aon tairiscint de réir bhrí Bhuan-Ordú 164, agus
- (c) cibé nithe eile,
- a tharchuirfidh an Dáil chuige.
- (3) Beidh an tAire Gnóthaí Eachtracha agus Trádála (nó comhalta den Rialtas nó Aire Stáit a ainmneofar chun gníomhú ina áit nó ina háit chun na críche sin), ina chomhalta nó ina comhalta ex officio den Roghchoiste chun na nithe atá leagtha amach i mír (2)(a) agus (b) a bhreithniú agus beidh sé nó sí i dteideal vótáil in imeachtaí an Roghchoiste.
- (4) Beidh ag an gCoiste na cumhachtaí a mhínítear i mBuan-Ordú 83(1), (2) agus (3).
- (5) Déanfar an Roghchoiste a chomhcheangal le Roghchoiste arna cheapadh ag Seanad Éireann chun bheith ina Chomhchoiste um Ghnóthaí an Aontais Eorpaigh, agus, gan dochar
- (1) That a Select Committee, which shall be called the Select Committee on European Union Affairs, consisting of nine members of Dáil Éireann, be appointed to consider such matters arising from—
- (a) Ireland's membership of the European Union, and
- (b) Ireland's adherence to the Treaty on European Union and the Treaty on the Functioning of the European Union,
- as it may select and which are not referred to any other Committee.
- (2) Without prejudice to the generality of paragraph (1), the Select Committee shall consider such—
- (a) Bills the statute law in respect of which is dealt with by the Department of Foreign Affairs and Trade,
- (b) proposals contained in any motion, including any motion within the meaning of Standing Order 164, and
- (c) other matters,
- as shall be referred to it by the Dáil.
- (3) The Minister for Foreign Affairs and Trade (or a member of the Government or Minister of State nominated to act in his or her stead for that purpose) shall be an ex officio member of the Select Committee for the purpose of consideration of the matters outlined at paragraph (2)(a) and (b) and shall be entitled to vote in Select Committee proceedings.
- (4) The Select Committee shall have the powers defined in Standing Order 83(1), (2) and (3).
- (5) The Select Committee shall be joined with a Select Committee appointed by Seanad Éireann, to form the Joint Committee on European Union Affairs, which, without prejudice to the

Joint Committee on European Union Affairs

- do ghinearáltacht mhír (1), déanfaidh an Roghchoiste an méid seo a leanas a bhreithniú—
- generality of paragraph (1), shall consider—
- (a) doiciméid phleanála straitéiseacha Choimisiún AE lena n-áirítear Clár Oibre an Choimisiúin,
- (a) the EU Commission’s strategic planning documents including the Commission Work Programme,
- (b) forbairtí beartais tras-earnála ag leibhéal an Aontais Eorpaigh,
- (b) cross-sectoral policy developments at European Union level,
- (c) nithe a liostaítear lena mbreithniú ar an gclár gnó i gcomhair cruinnithe de Chomhairle Gnóthaí Ginearálta na nAirí agus toradh cruinnithe den sórt sin.
- (c) matters listed for consideration on the agenda for meetings of the General Affairs Council of Ministers and the outcome of such meetings,
- (d) cibé rialacháin faoi Achtanna na gComhphobal Eorpach, 1972 go 2009 agus ionstraimí eile arna ndéanamh faoi reacht agus is gá de dhroim na n-oibleagáidí a ghabhann le ballraíocht san Aontas Eorpach a roghnóidh an Coiste,
- (d) such regulations under the European Communities Acts 1972 to 2009 and other instruments made under statute and necessitated by the obligations of membership of the European Union as the Committee may select,
- (e) fógraí arna dtarchur ag an Dáil faoi Bhuan-Ordú 106(1)(a),
- (e) notifications referred by the Dáil under Standing Order 106(1)(a),
- (f) fógraí i dtaobh tograí chun na Conarthaí a leasú a fuarthas ón gComhairle Eorpach de bhun Airteagal 48.2 den Chonradh ar an Aontas Eorpach,
- (f) notifications of proposals for the amendment of the Treaties received from the European Council pursuant to Article 48.2 of the Treaty on European Union,
- (g) fógraí i dtaobh iarratas ar bhallraíocht san Aontas Eorpach a fuarthas ón gComhairle Eorpach de bhun Airteagal 49 den Chonradh ar an Aontas Eorpach, agus
- (g) notifications of applications for membership of the European Union received from the European Council pursuant to Article 49 of the Treaty on European Union, and
- (h) cibé nithe eile a tharchuirfidh an Dáil chuige ó am go ham.
- (h) such other matters as may be referred to it by the Dáil from time to time.
- (6) Tabharfaidh an Comhchoiste tuarascáil do dhá Theach an Oireachtais ar oibriú Acht an Aontais Eorpaigh (Grinnscrúdú), 2002.
- (6) The Joint Committee shall report to both Houses of the Oireachtas on the operation of the European Union (Scrutiny) Act 2002.
- (7) Beidh ag an gComhchoiste na cumhachtaí a mhínítear i mBuan-Orduithe 83 (seachas mír (2A) den chéanna), 106(1)(a) agus 107.
- (7) The Joint Committee shall have the powers defined in Standing Orders 83 (other than paragraph (2A) thereof), 105, 106(1)(a) and 107.
- (8) Beidh ag an gComhchoiste an chumhacht chun moltaí a dhéanamh chun an Aire Gnóthaí Eachtracha agus
- (8) The Joint Committee shall have the power to make recommendations to the Minister for Foreign Affairs and

Joint Committee on European Union Affairs

- Trádála (nó chun Aire Stáit) i dtaobh nithe a bhaineann leis an Aontas Eorpach.
- (9) Féadfaidh na daoine seo a leanas freastal ar chruinnithe den Chomhchoiste agus páirt a ghlacadh in imeachtaí gan ceart vótála a bheith acu ná ceart tairiscintí a dhéanamh ná leasuithe a thairiscint:
- (a) Comhaltaí de Pharlaimint na hEorpa arna dtoghadh ó thoghcheantair in Éirinn, lena n-áirítear Tuaisceart Éireann,
- (b) Comhaltaí de thoscaireacht na hÉireann chuig Tionól Parlaiminteach Chomhairle na hEorpa, agus
- (c) ar chuireadh a fháil ón gCoiste, Comhaltaí eile de Pharlaimint na hEorpa.
- (10) Déanfaidh an Comhchoiste ionadaíocht do dhá Theach an Oireachtais ag Comhdháil na gCoistí um Ghnóthaí Comhphobail agus Eorpacha de chuid Parlaimintí an Aontais Eorpaigh (COSAC) agus tabharfaidh sé tuarascáil ar an gcéanna do dhá Theach an Oireachtais.
- (11) Beidh Cathaoirleach an Roghchoiste, ar comhalta de Dháil Éireann a bheidh ann nó inti, ina Chathaoirleach nó ina Cathaoirleach ar an gComhchoiste freisin.
- Trade (or Minister of State) on European Union matters.
- (9) The following may attend meetings of the Joint Committee and take part in proceedings without having a right to vote or to move motions and amendments:
- (a) Members of the European Parliament elected from constituencies in Ireland, including Northern Ireland,
- (b) Members of the Irish delegation to the Parliamentary Assembly of the Council of Europe, and
- (c) at the invitation of the Committee, other Members of the European Parliament.
- (10) The Joint Committee shall represent both Houses of the Oireachtas at the Conference of Community and European Affairs Committees of Parliaments of the European Union (COSAC) and shall report to both Houses of the Oireachtas thereon.
- (11) The Chairman of the Joint Committee, who shall be a member of Dáil Éireann, shall also be Chairman of the Select Committee."

Joint Committee on European Union Affairs

Seanad Éireann on 16 June 2011 ordered:

- “(1) Go gceapfar Roghchoiste, dá ngairfear an Roghchoiste um Ghnóthaí an Aontais Eorpaigh, ar a mbeidh 5 chomhalta de Sheanad Éireann, chun breithniú a dhéanamh ar cibé nithe a éiríonn—
- (a) as ballraíocht na hÉireann san Aontas Eorpach agus
- (b) as Éirinn do chloí leis an gConradh ar an Aontas Eorpach agus leis an gConradh ar Fheidhmiú an Aontais Eorpaigh
- a roghnóidh sé agus nach bhfuil tarchurtha chuig aon Choiste eile.
- (2) Déanfar an Roghchoiste a chomhcheangal le Roghchoiste arna cheapadh ag Dáil Éireann chun bheith ina Chomhchoiste um Ghnóthaí an Aontais Eorpaigh, agus, gan dochar do ghinearáltacht mhír (1), déanfaidh an Comhchoiste an méid seo a leanas a bhreithniú—
- (a) doiciméid phleanála straitéiseacha Choimisiún AE lena n-áirítear Clár Oibre an Choimisiúin,
- (b) forbairtí beartais tras-earnála ag leibhéal an Aontais Eorpaigh,
- (c) nithe a liostaítear lena mbreithniú ar an gclár gnó i gcomhair cruinnithe de Chomhairle Gnóthaí Ginearálta na nAirí agus toradh cruinnithe den sórt sin.
- (d) cibé rialacháin faoi Achtanna na gComhphobal Eorpach, 1972 go 2009 agus ionstraimí eile arna ndéanamh faoi reacht agus is gá de dhroim na n-oibleagáidí a ghabhann le ballraíocht san Aontas Eorpach a roghnóidh an Coiste,
- (e) fógraí arna dtarchur ag an Seanad faoi Bhuan-Ordú 102(1)(a),
- (f) fógraí i dtaobh tograí chun na Conarthaí a leasú a fuarthas ón gComhairle Eorpach de bhun Airteagal 48.2 den Chonradh ar an Aontas Eorpach,
- (1) That a Select Committee, which shall be called the Select Committee on European Union Affairs, consisting of 5 members of Seanad Éireann, be appointed to consider such matters arising from—
- (a) Ireland’s membership of the European Union, and
- (b) Ireland’s adherence to the Treaty on European Union and the Treaty on the Functioning of the European Union,
- as it may select and which are not referred to any other Committee.
- (2) The Select Committee shall be joined with a Select Committee appointed by Dáil Éireann, to form the Joint Committee on European Union Affairs, which, without prejudice to the generality of paragraph (1), shall consider—
- (a) the EU Commission’s strategic planning documents including the Commission Work Programme,
- (b) cross-sectoral policy developments at European Union level,
- (c) matters listed for consideration on the agenda for meetings of the General Affairs Council of Ministers and the outcome of such meetings,
- such regulations under the European Communities Acts 1972 to 2009 and other instruments made under statute and necessitated by the obligations of membership of the European Union as the Committee may select,
- (d) notifications referred by the Seanad under Standing Order 102 (1)(a),
- (e) notifications of proposals for the amendment of the Treaties received from the European Council pursuant to Article 48.2 of the Treaty on European Union,

Joint Committee on European Union Affairs

- (g) fógraí i dtaobh iarratas ar bhallraíocht san Aontas Eorpach a fuarthas ón gComhairle Eorpach de bhun Airteagal 49 den Chonradh ar an Aontas Eorpach, agus
- (h) cibé nithe eile a tharchuirfidh an Seanad chuige ó am go ham.
- (3) Tabharfaidh an Comhchoiste tuarascáil do dhá Theach an Oireachtais ar oibriú Acht an Aontais Eorpaigh (Grinnscrúdú), 2002.
- (4) Beidh ag an gComhchoiste na cumhachtaí a mhínítear i mBuan-Orduithe 71 (seachas mír (2A) den chéanna), 101, 102(1)(a) agus 103.
- (5) Beidh ag an gComhchoiste an chumhacht chun moltaí a dhéanamh chun an Aire Gnóthaí Eachtracha agus Trádála (nó chun Aire Stáit) i dtaobh nithe a bhaineann leis an Aontas Eorpach.
- (6) Féadfaidh na daoine seo a leanas freastal ar chruinnithe den Chomhchoiste agus páirt a ghlacadh in imeachtaí gan ceart vótála a bheith acu ná ceart tairiscintí a dhéanamh ná leasuithe a thairiscint:
- (a) Comhaltaí de Pharlaimint na hEorpa arna dtoghadh ó thoghlaigh in Éirinn, lena n-áirítear Tuaisceart Éireann,
- (b) Comhaltaí de thoscaireacht na hÉireann chuig Tionól Parlaiminteach Chomhairle na hEorpa, agus
- (c) ar chuireadh a fháil ón gCoiste, Comhaltaí eile de Pharlaimint na hEorpa.
- (7) Déanfaidh an Comhchoiste ionadaíocht do dhá Theach an Oireachtais ag Comhdháil na gCoistí um Ghnóthaí Comhphobail agus Eorpacha de chuid Parlaimintí an Aontais Eorpaigh (COSAC) agus tabharfaidh sé tuarascáil ar an gcéanna do dhá Theach an Oireachtais.
- (8) Beidh Cathaoirleach an Chomhchoiste
- (g) notifications of applications for membership of the European Union received from the European Council pursuant to Article 49 of the Treaty on European Union, and
- (h) such other matters as may be referred to it by the Seanad from time to time.
- (3) The Joint Committee shall report to both Houses of the Oireachtas on the operation of the European Union (Scrutiny) Act 2002.
- (4) The Joint Committee shall have the powers defined in Standing Orders 71 (other than paragraph (2A) thereof), 101, 102(1)(a) and 103.
- (5) The Joint Committee shall have the power to make recommendations to the Minister for Foreign Affairs and Trade (or Minister of State) on European Union matters.
- (6) The following may attend meetings of the Joint Committee and take part in proceedings without having a right to vote or to move motions and amendments:
- (a) Members of the European Parliament elected from constituencies in Ireland, including Northern Ireland,
- (b) Members of the Irish delegation to the Parliamentary Assembly of the Council of Europe, and
- (c) at the invitation of the Committee, other Members of the European Parliament.
- (7) The Joint Committee shall represent both Houses of the Oireachtas at the Conference of Community and European Affairs Committees of Parliaments of the European Union (COSAC) and shall report to both Houses of the Oireachtas thereon.
- (8) The Chairman of the Joint Committee

Joint Committee on European Union Affairs

ina chomhalta nó ina comhalta de Dháil
Éireann.

shall be a member of Dáil Éireann.

Appendix 3: Transcripts

[10 February 2015](#)

[12 February 2015](#)

[17 February 2015](#)

[24 February 2015](#)

[26 February 2015](#)

[5 March 2015](#)

[10 March 2015](#)

[16 April 2015](#)

Joint Committee on European Union Affairs

Appendix 4: List of Witnesses

- Mr. Colm McCarthy, Economist, University College Dublin;
- Mr. Roland Freudenstein, Deputy Director & Head of Research at the Wilfried Martens Centre for European Studies;
- Mr. Fabian Zuleeg, Chief Executive, European Policy Centre;
- Mr. Steve Aiken, former Chief Executive of British-Irish Chamber of Commerce;
- Mr. Alan Matthews, Professor Emeritus of European Agricultural Policy in the Department of Economics, Trinity College Dublin;
- Ms. Siobhan Mullally, Professor of Law and Director of the Centre for Criminal Justice and Human Rights;
- Mr. Dáithí Ó Ceallaigh, Director of Corporate Affairs, The Institute of International and European Affairs;
- Mr. Joe Durkan, Lecturer, School of Economics, University College Dublin;
- Professor Imelda Maher, Sutherland Chair in European Law, University College Dublin;
- Mr. Eugene Regan, Senior Counsel;
- Baroness Quin, UK House of Lords;
- Mr. Brendan Halligan, Chairman of the Institute of International and European Affairs;
- Mr. Dara Murphy T.D., Minister of State with Special responsibility for European Affairs;
- Sir Bill Cash MP, UK House of Commons, and
- Professor Jennifer Todd, School of Politics and International Relations, University College Dublin.

Joint Committee on European Union Affairs

Appendix 5: David Cameron's speeches/opinion piece on UK/EU relationship

[Opinion Piece - The Sunday Telegraph](#) - 'The EU is not working and we will change it'

[Speech on Immigration](#) – November 2014

[Speech at Bloomberg](#) – November 2013