Ollscoil Chathair
Bhaile Átha Cliath
Dublin City University

DCU Brexit Institute

2nd Brexit Report

23 June 2019

3 Years Since the Brexit Referendum

1 Month since the European Elections - Brexit Continued

This report was edited by the Director and the Team of the DCU Brexit Institute — Federico Fabbrini, Ian Cooper, Éadaoin Scully — and graphically designed by Garvan Doherty.

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Foreword

I am very pleased to introduce the second annual report of the DCU Brexit Institute.

Established in June 2017, the Brexit Institute is Ireland's only and Europe's first centre specifically created to analyse issues associated with the United Kingdom's withdrawal from the European Union from a broad range of perspectives. The Institute has quickly positioned itself as an important reference point in illuminating the complicated process of Brexit.

In fact, the Brexit Institute is more than a think-tank, given its grounding in an academic environment, with a rich set of expertise on Brexit-related issues. However, the Brexit Institute is also more than a traditional academic unit, given its focus on policy and its continuing engagement with business, governments and civil society at large.

In this regard, I am delighted that this year AIB, Grant Thornton, and Dublin Airport Central have all joined Arthur Cox in becoming institutional sponsors of the Brexit Institute – and I want to acknowledge their invaluable contribution in supporting the costs of the Brexit Institute's organization and activities for the next few years.

In fulfilling its mission as a leading national forum to debate Brexit, the Institute has organized a comprehensive series of high-level events in Dublin, on average at least one per month, involving as keynote speakers some of the leading decision-makers from Ireland, the UK and the EU, to reflect on the Brexit negotiations and their effects on specific economic sectors.

Moreover, the Brexit Institute has increasingly acquired an international dimension, acting as a soft diplomatic tool to promote Ireland's concerns in the Brexit process. Indeed, as a sign of its ever growing reputation and credibility, the Brexit Institute has also convened events in Berlin and Paris, in cooperation with the Department of Foreign Affairs and Trade.

In addition to hosting discussion fora, the Institute has also contributed to the Brexit debate with original research and policy output. In this regard, I want to mention the paper written by Prof. Federico Fabbrini, Director of the Brexit Institute, at the request of the European Parliament Constitutional Affairs Committee.

The purpose of this report is not only to summarize the work that the Brexit Institute has carried out in the past twelve months, but also to offer up-to-date contributions written by leading academics at DCU to shed light on some of the key issues that have occurred in the Brexit negotiations since summer 2018, and on the critical challenges that will shape the Brexit process in the months ahead.

As such, the second annual report of the Brexit Institute showcases the wealth of interdisciplinary expertise that DCU is deploying to contribute to advancing the understanding of Brexit – and validates the decision taken two years ago to create the DCU Brexit Institute as a unique multi-school, inter-faculty centre.

Although, contrary to expectations, Brexit has not happened yet (and it remains unclear when or if it will happen) the role of the Brexit Institute remains crucial, and in fact is likely to grow in importance as time progresses. As we celebrate the second birthday of the Institute, therefore, we look forward to providing more valuable contributions to all stakeholders.

Professor Brian MacCraith,
President, Dublin City University

Introduction

On 6 September 2018, the DCU Brexit Institute hosted an even on the subject, "**Brexit: By Design or By Default? Assessing the State of the Withdrawal Process.**" The event organized in cooperation with the Mercator European Dialogue programme of the German Marshall Fun of the United States began with a debate chaired by Caitríona Perry (RTÉ) featuring members of four EU national parliaments, namely Stephen Gethins (UK House of Commons), Václav Hampl (Senat, Czech Republic), Ian Marshall (Seanad, Ireland) and Anne Mulder (Tweede Kamer, the Netherlands). This was followed by a panel discussion with Tom Hall (AIB), David Molloy (Arthur Cox), Mary Murphy (UCC) and Federico Fabbrini (DCU), that was chaired by Kevin Doyle (Irish Independent). Finally there was a closing keynote address by Danuta Hübner, the Chairwoman of the European Parliament Constitutional Affairs Committee. Later that same month, on 20 September 2018, the DCU Brexit Institute welcomed David Lidington, the UK Minister for the Cabinet Office and Theresa May's de facto Deputy Prime Minister. Minister Lidington spoke at a round-table discussion with a small group of participants, presenting the UK Government's perspective on the state of the Brexit negotiations.

Three years ago, on 23 June 2016, the United Kingdom (UK) voted to leave the European Union (EU) – and a year after that, on 23 June 2017, Dublin City University (DCU) established the Brexit Institute, which is Ireland's only and Europe's first centre specifically created to analyze the implications of the UK withdrawal from the EU from both a research and a policy perspective.

Today, on 23 June 2019, the Brexit Institute turns two years old, and to mark this milestone we are pleased to produce a second Annual Report, which builds on the first one we released on 23 June 2018. In the last twelve months, a lot has happened in the Brexit process – as well as in the life of the Brexit Institute. But Brexit has not happened yet!

Since the publications of our last report, the Brexit negotiations have proceeded with theatrical shifts and shocks. Following a complicated summer, and a number of unsuccessful EU summits, in which the risk of a hard Brexit either by design or by default prominently surfaced, in November 2018 the EU and the UK reached an agreement on a Brexit deal.

The Brexit deal consisted primarily of a 585-page Withdrawal Agreement, which spelled out in legally binding form the terms of the UK withdrawal from the EU, including on how to protect citizens' rights, identify the financial settlement and guarantee a transition period (until 2020, but potentially extendable till 2022) to secure an orderly UK exit.

A key part of the Withdrawal Agreement is a special Protocol on Ireland, drafted with the aim to avoid the return of a 'hard border' between the Republic of Ireland and Northern Ireland. This protocol, which came to be known as 'the backstop', achieved this solution by establishing a single EU-UK customs territory and by preserving regulatory alignment within the island of Ireland.

Moreover, the Brexit deal included also a much shorter Outline Political Declaration on the framework of future EU-UK relations – a document without legal value which identified room for future EU-UK cooperation in the fields of trade, internal and external security and in a number of thematic sectors, to be spelled out at a later date based also on the political preferences of the UK.

Nevertheless, as it is well known, the Brexit deal struggled to make its way through the UK Parliament. Primarily because of 'the backstop', Westminster voted the deal down a first time in January 2019, and despite additional reassurances obtained by the UK Government from the EU in March 2019, it voted it down also a second and a third time in Spring 2019.

As a consequence of that, the UK Government was forced to request – twice – an extension of UK membership in the EU, thus pushing back the exit date originally scheduled for 29 March 2019. As the European Council agreed to this request, the

UK participated in European Parliament elections on 23 May 2019, effectively continuing to remain involved in EU affairs 3 years after the Brexit vote.

In fact, when this report was going to press, the provisional exit date was set for 31 October 2019 – but it remains to be seen whether Brexit will be further postponed, or potentially revoked. While the Brexit deal formally remains on the table as the only option for an agreed withdrawal, the threat of a hard Brexit has not disappeared and may come to haunt us again in the next few months.

Given the uncertainty which has surrounded, and continues to surround, the Brexit process it will come as no surprise that the Brexit Institute at DCU has become an indispensable resource for government officials, business leaders, academics and civil society representatives who look for authoritative insights and guidance on how to navigate these unchartered waters. But the success of the Brexit Party in the European Parliament elections produced a political earthquake: on 24 May 2019 Prime Minister Theresa May resigned, throwing the Brexit process into further disarray.

In fact, in the last year, the Brexit Institute has grown in remarkable ways. First and foremost, the Brexit Institute has enlisted a number of new sponsors, namely AIB, Grant Thornton and Dublin Airport Central, which have joined Arthur Cox as multi-annual institutional sponsors of the Institute, providing generous funding to sustain the Institute until at least 2021.

Moreover, the Brexit Institute has maintained an impressive track-record of high-level events: with a dozen events organized in Dublin as well as in other EU capitals in partnership with the Irish Department of Foreign Affairs & Trade, the Brexit Institute consolidated its role as a leading national and international forum to discuss Brexit and the future of Europe.

Finally, as a confirmation of our impeccable academic credentials, the Brexit Institute has become a leading voice in the scholarly & policy debate on Brexit: the Institute has hosted an ever growing number of blogs and working papers; our academics have published articles and edited books; and I have personally been tasked to write another in-depth study for the European Parliament.

The report that you have in your hands is a testament of the above-mentioned developments. The report includes 12 contributions by a number of leading scholars affiliated to the Brexit Institute which overview the main activities undertaken by the Institute in the past academic year and offer original thoughts on the main issues which drove Brexit, and therefore our work.

As such, the report is structured as follows. Part I focuses on the most important institutional developments in the Brexit negotiations. This includes the contributions by Ian Cooper on the Irish backstop, by Ioannis Asimakopoulos on the Brexit Deal – the Withdrawal Agreement and the outline political declaration – by Charlotte Sieber-Gasser on the extensions, and by Anastasia Deligiaouri on the UK's participation in the EU Parliament elections and its implications.

Part II, by contrast, zooms in on a number of specific policy sectors which are going to be affected by Brexit, and particularly by the risks of a hard Brexit. This includes contributions by Niamh Gaynor on international development cooperation, by Cathal Guiomard on aviation, by Eric Clinton on family business, particularly in the agri-food sector, and by Pamela Sharkey Scott on SMEs.

Part III, finally, outlines some key ongoing issues connected to Brexit and the debate on the future of Europe. This includes contributions by Rebecca Schmidt on the future of the EU institutions, John Doyle & Eileen Connelly on Ireland, Iain McMenamin on UK politics, and Edgar Morgenroth on the EU budget. An appendix, then, reports several important statistics on the output and outreach of the Brexit Institute so far.

Three years after the Brexit referendum, and two years since the establishment of the Brexit Institute at DCU, the future of Brexit remains undecided. By providing thought leadership on this unprecedented historical process, the Brexit Institute fulfils an important mission, which I am sure this annual report will strengthen and sustain in the years to come.

Federico Fabbrini,
Director, DCU Brexit Institute

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Fintan O'Toole
The Irish Times

Institutional Issues

Brexit and the Backstop

On December 13th, the DCU Brexit Institute hosted an event on "**Brexit, the Backstop and the island of Ireland**" in the Helix. The event , which was organized in partnership with the Centre for Constitutional Change, featured an opening keynote address from John Bruton (Former Taoiseach of Ireland). This was followed by a panel discussion featuring Sorcha Eastwood (Alliance Party), Bobby McDonagh (Department of Foreign Affairs), Chloe Papazian (DCU), and Owen Reidy (ICTU), chaired by Fintan O'Toole (The Irish Times). The closing keynote address was provided by Giuliano Amato (Former Prime Minister of Italy; Former Vice President of the European Convention; Justice of the Italian Constitutional Court).

The "backstop" is a provision in the UK-EU Withdrawal Agreement designed to guarantee that, no matter how negotiations pan out between the two sides regarding their future trading relationship, an open border will be maintained on the island of Ireland. It is a curious tale how this provision ended up being the most controversial issue in, and even threatened to derail, the Brexit process. The outcome is still uncertain, as whoever succeeds Theresa May as UK prime minister is likely to attempt to repudiate the backstop.

When the UK voted to leave the EU in June 2016, the Irish government was immediately alert to the threat this posed to its national interest. Not only did the prospect of Brexit – and with it, the possible imposition of controls at the UK's borders – threaten the hard-won peace in Northern Ireland, it also jeopardized Ireland's frictionless trade with the EU, given that most Irish goods destined for the continent travel by lorry across the "land bridge" of Great Britain.

Early on in the Brexit process, Irish officials in bilateral meetings sought assurances on the border question, but they were dismayed that their British counterparts did not seem to take it sufficiently seriously. This led the Irish government to make a diplomatic push to resolve the issue on a multilateral basis, as part of the broader EU-UK Brexit negotiations.

This effort was vindicated in April 2017 when, at Ireland's behest, the EU set the Irish border question as one of its top three priorities for the negotiations. Only after "sufficient progress" was made on this question could negotiations proceed to the next phase. This condition was strictly applied when, in October 2017, the European Council dashed the UK's hopes of moving on to the next phase of the negotiations, deciding instead that not enough progress had been made, in particular regarding the Irish border question. It was only at the next summit, in December 2017, that the European Council deemed that sufficient progress had been made.

What made the difference in December 2017 was the agreement on the backstop, which had been devised by negotiators as a means to resolve the border issue on a provisional basis. The UK preferred either, first, a comprehensive agreement on customs and trade or, second, technological solutions to resolve the issue, but it accepted, as a third option, that if all else fails the avoidance of a hard border would be mutually guaranteed.

The initial version of the backstop was enshrined in the EU-UK Joint Report of December 2017, and further developed in the draft Withdrawal Agreement of March 2018. As originally conceived, it applied only to Northern Ireland, which would continue in "full alignment" with the rules of the Internal Market and Customs Union that support "North-South cooperation, the all island economy and the protection of the 1998 Agreement."

However, the backstop underwent a significant transformation in the last phase of the negotiations leading up to the final Withdrawal Agreement of November 2018. The final version of the backstop applies to the whole of the UK rather than just Northern Ireland. Under the new agreement, if the backstop were to be triggered, the EU and the UK would then comprise a single customs territory. In other words, the UK would remain de facto in the EU's Customs Union.

This change rendered the backstop much more elaborate in the text of the agreement. Whereas the "Protocol on Ireland/Northern Ireland" was a mere nine pages in the March 2018 draft, it was 175 pages in the final agreement, which reflects its greater substantive detail. Now, if the backstop is triggered, not only must the UK effectively remain in the Customs Union, it must also comply with Internal Market rules in the fields of state aid, competition, taxation, environmental and labour standards, as well as with new institutional mechanisms for implementation, enforcement and dispute settlement. Originally something of an add-on, the backstop is now a fundamental pillar of the Withdrawal Agreement.

The all-UK backstop is advantageous for Northern Ireland in that it would prevent customs checks both on its land and sea borders and would allow the region's businesses to access the markets of both the UK and the EU. It is also better for the Republic of Ireland, because it would safeguard not only North-South trade with Northern Ireland but also East-West trade between Ireland, Great Britain and the continent.

It should be noted that the UK fought for and won the all-UK backstop as a concession in the negotiations. The EU had preferred the original Northern-Ireland-specific version, but gave way to the UK's demands. By obtaining an all-UK backstop, Theresa May was trying to placate the Democratic Unionist Party (DUP), on whose votes she relies to maintain her governing majority. The DUP had strenuously objected to the earlier version, which to them implied an incipient constitutional separation between Northern Ireland and Great Britain. However, even with this concession the ten DUP MPs still voted against the Withdrawal Agreement, contributing to its historic rejection by the House of Commons three times in early 2019.

Hard-core Brexiters in the Conservative Party objected to the backstop because it would impede the UK's ability to forge an independent trade policy. To them it seemed a case of the tail wagging the dog, in that the aspirations of Great Britain (pop. 64 million) were being curtailed by the concerns of one small region (pop. 1.8 million) which they believed were overblown.

All through the process, pro-Brexit figures in the UK government continued to try to undermine the backstop. Even after the Withdrawal Agreement was signed, they still pushed to have it changed to either make the backstop temporary or to allow the UK to unilaterally abrogate it – either of which would render it pointless.

After it first rejected the Withdrawal Agreement, the House of Commons voted in favour of the "Brady amendment," averring that it would approve the agreement if only the backstop were replaced with undefined "alternative arrangements." Hypocritically, the UK government supported this amendment, undercutting an essential element of the agreement that they had just signed. Since then, various schemes to try to circumvent the backstop via "alternative arrangements" – such as the "Malthouse compromise" – continue to be put forward by Brexiters, despite the obvious fact that they will be rejected by the EU.

Brexiters have accused the Irish government of intransigence on the border issue. Some go as far as to say that the Irish government, by insisting on the backstop, is precipitating the rejection of the Withdrawal Agreement, and would therefore have only itself to blame for a no-deal Brexit which undoubtedly would hurt Ireland more than any other EU member state.

The irony is that, if not for the border question, Ireland would likely have been a strong ally of the UK in the Brexit negotiations because of its overriding interest in a close future UK-EU relationship. For example, Taioseach Leo Varadkar recently suggested that if the UK remained in the Customs Union it should have a say over future EU trade deals, an idea contrary to the EU's negotiating stance.

Even so, the EU has consistently and tenaciously protected Ireland's interests throughout the negotiations – thus far at least. This remarkable solidarity would be cold comfort in the event of a no-deal Brexit, in which enormous collateral damage would be inflicted on the Irish economy, with unknown repercussions for peace on the island. Even so, insofar as it had any choice at all, the Irish government has chosen the path of European unity in the Brexit process.

Ian Cooper,
Research Fellow, DCU Brexit Institute

Brexit and the Terms of Withdrawal

On March 29th, the DCU Brexit Institute organized a Book Conference on "**Brexit, the Terms of Withdrawal and the Framework of Future EU-UK Relations**" in the Dublin city centre offices of Arthur Cox. The event featured an opening keynote address from Mary McAleese (Former President of Ireland). This was followed by four panel discussions on the themes of The Process, The Withdrawal Agreement, The Framework of Future Relations, and The Challenges. Guest panel members included: Emily Jones (Oxford), Kenneth Armstrong (Cambridge), Catherine Barnard (Cambridge), Eileen Connolly (DCU), Paul Craig (Oxford), Deirdre Curtin (European University Institute), Sionaidh Douglas-Scott (Queen Mary London), John Doyle (DCU), Federico Fabbrini (Director of the DCU Brexit Institute), Paola Mariani (Bocconi University), Edgar Morgenroth (DCU), Giorgio Sacerdoti (Bocconi University), Etain Tannam (Trinity College Dublin) and Ben Tonra (University College Dublin). Panels were moderated by Monica Bonetti (Radiotelevisione Svizzera), Nicol Degli Innocenti (Sole 24 Ore), Christoph Schult (DerSpiegel) and Bjarne Norum (Kristeligt Dagblad)

Last year was marked by the agreement between the EU and the UK on a draft Brexit withdrawal agreement and a draft political declaration on future EU-UK relations. In a nutshell, the withdrawal agreement regulates the past and the transition towards the future, whilst the political declaration sets the political guidelines for the future. However, whether these two documents will form the basis of the UK's exit remains rather unclear at the moment.

The Withdrawal Agreement aims to ensure that the withdrawal will happen in an orderly manner, and offers legal certainty for the future when the Treaties and EU law cease to apply in the UK. It does so by regulating a broad area of sectors: citizens' rights, safeguarding their existing rights; separation issues, ensuring a smooth winding-down of current arrangements and providing for an orderly withdrawal; a transition period, during which the EU will treat the UK as if it were a Member State, with the exception of participation in the EU institutions and governance structures; the financial settlement, ensuring that the UK and the EU will honour all financial obligations undertaken while the UK was a member of the Union, enforcement parameters of the agreement, including appropriate dispute settlement mechanisms; a legally operational backstop to ensure that there will be no hard border between

Ireland and Northern Ireland; and certain arrangements on Gibraltar, which provides for close cooperation between Spain and the UK on the implementation of citizens' rights provisions of the Withdrawal Agreement; and on a number of other policy areas.

As Angelos Chryssogelos noted the deal tries to take into account both the result of the 2016 referendum and the policy constraints that emerged thereafter: the need to keep the British economy aligned to the EU regulatory framework and to avoid disruption, the imperative to avoid a hard border in Ireland, and the effort to secure a degree of independence in at least the two policy areas that have become emblematic of the idea of 'control' for Brexit supporters, namely immigration and trade. As former President of Ireland Mary McAleese said, speaking at the Brexit Institute, Theresa May's deal is the only hope for closure and an orderly Brexit.

In that respect, reaching an agreement was somehow inevitable. From an economic point of view, only a customs union with membership of the EU internal market would guarantee to the UK economy the benefits which firms and citizens currently enjoy. A 'hard Brexit' would in any case prove damaging for both sides. Therefore, it was predictable that at least the UK Government would try to reach a deal with the EU, which prevented a dramatic operational disruption and immediate economic damage to the country. Strategically, the idea of a backstop was also inevitable – it would be also impossible for the EU (and Ireland, in particular) to agree on a deal that would threaten the viability of the Good Friday Agreement.

At an institutional level, though, the challenges inherent in the terms of withdrawal are significant. From the UK's perspective, there would be an issue of returning competences from the EU to the UK and how these would be distributed at the national level. For instance, the Scottish government has claimed that the Withdrawal Act 2018 represented a 'power grab'. This has the potential to lead to another referendum in Scotland and the real risk that Brexit will lead to the disintegration of the UK. From the EU27's perspective, Brexit could be seen as another crisis that affects the EU. Following the multiple crises of the Eurozone, migration, and the rule of law in the EU, Brexit may indeed challenge unity. This leads to the different possible scenarios of path dependency, differentiation, and variable geometry, and ultimately to the 'decoupling' of the EU into a core focused on political integration and a periphery focused on market integration.

However, the fact that the Withdrawal Agreement has been rejected in all different ways in Westminster, as well as the participation of the UK in the EU elections, seem to signal the departure of the terms of Brexit from the Withdrawal Agreement. Or maybe not? In any event, as Federico Fabbrini stated, Brexit may operate as a window of opportunity for the EU for a grand bargain to reconcile competing visions of Europe as a single market and as a polity.

Ioannis G. Asimakopoulos,
Research Fellow, DCU Brexit Institute

Brexit and the Extension

On April 4th, the DCU Brexit Institute hosted a "**High-Level Policy Dialogue**" in the Dublin city centre offices of Grant Thornton to assess the Brexit process. The event featured a debate between Georgios Papacostantinou (EUI School of Transnational Governance, Former Finance Minister of Greece) and Denis McShane (Former Europe Minister of the UK).

In early April, Georgios Papacostantinou said that asking for yet another extension to Article 50 process would be a "humiliating experience for the British government". Denis MacShane even called an extension a "nightmare". Yet, this "nightmare" has materialised: the Article 50 process has been extended along the terms and conditions dictated by the European Union from the original deadline of March 29, and so the current deadline for Brexit is 31 October 2019. The UK, in consequence, participated in EU parliament elections, is officially committed to "sincere cooperation" with the EU, and recognizes that renegotiations of the Withdrawal Agreement are off the table.

The new aim of the UK government is to ratify the Withdrawal Agreement – perhaps along with a new political declaration – before 2 July 2019, when new MEPs take their seats. However, given that the extension did not change the options on the table (which are still limited to the Withdrawal Agreement, no Brexit or Brexit without a deal), the chances that the UK government would be able to secure the necessary votes in time are slim.

It is generally agreed both within the UK and within the EU that the current impasse in Brexit proceedings is not ideal, to say the least. It may therefore surprise outside observers that so far the UK government appears little involved in preparations for a new approach to the implementation of the 2016 Brexit vote. Given that it is highly uncertain whether the EU will agree to yet another extension should the UK government prove unable to reach a decision by end of October, the Brexit-clock is, thus, ticking louder and louder.

Complications not only come from the limited set of options. It is also not clear how the UK government would justify yet another "meaningful vote" on the Withdrawal Agreement, given the ruling of the Speaker of the House in March 2019. Additionally, elections during the extension period both at the local and the European level have political implications for the strength of the position of the UK government. The UK government therefore continues to find itself in the position of having to navigate multi-front negotiations while being in the unenviable situation of being dependent on the opposition, the rules of parliament and the EU. It has been argued that this particularly challenging, if not impossible, situation is the logical consequence of a series of critical, yet unforced, strategic errors by the UK government.

To escape the unfortunate series of strategic errors, a wider, more long-term perspective may be necessary: even if the Withdrawal Agreement were to be ratified in time, the future relationship between the UK and the EU will still have to be agreed. Compared to negotiating the actual UK-EU deal, the terms and mandate of the Withdrawal Agreement must be considered a walk in the park. The uphill battle following after the ratification of the Withdrawal Agreements requires not only competent, realistic and strong negotiators; it also requires the support of a comfortable majority in parliament, of the constituency and of the regional governments of the four countries, most notably, of Northern Ireland.

As recent months have shown, such conditions necessary for successful negotiations with the EU are quite clearly impossible to achieve at this point in time. Our speakers at the early-April event – along with others – therefore turned their focus to the option of "no Brexit". Denis MacShane said that leaving the EU would mean an economic, social and cultural shock for the UK and weaken both the EU's and the UK's voice in the world. In times of rising international tensions and an increasing number of critical trade disputes, neither the EU nor the UK can, thus, reasonably have an interest in weakening their position on the international stage. As political and trade tensions with Europe's traditional ally, the USA, may increase substantially until 31 October 2019, geo-political considerations on both sides of the Brexit-negotiating table may provide an opening to a new approach. After all, an actual "Brexit" will still be a defeat of the European project, while it would be a great victory for the EU were the UK to change its mind, observed Georgios Papacostantinou. Such a change of mind does not necessarily have to be limited to the revocation of Article 50. At this point, any commitment to remain a member of the EU common market and to support – in principal – EU foreign policy, will have considerable advantages for both sides.

However, while there are many good arguments for a second referendum or even revocation of Article 50 (among others options also brought forward by our guests), the current strategy of the UK government does not point at either of these being under serious consideration. The primary focus remains on how to achieve a majority of votes in parliament for the Withdrawal Agreement within the next weeks or maybe months. A second referendum and the revocation of Art. 50 would both require fact-based, transparent and reliable communication from the UK government about why and how and on what it intends to consult the British people, way ahead of the actual vote. As the Brexit-clock is ticking, time is running out on these two options even more quickly than on a last-minute ratification of the Withdrawal agreement. The apparently underlying strategy of the UK government ("running down the clock") does indeed ring a bell; it did not work in March, in April, or in May, but perhaps it will work in October ?

In all likelihood we will have (again) turbulent weeks and months to come in the Brexit process, ahead of an uncertain outcome for the 31 October 2019 deadline. It has happened in the past, that a particular event suddenly sparked compromise and opened hidden doors in formerly gridlocked negotiations. It is to be hoped for Europe and for the UK, that compromise will emerge in a timely fashion and without additional difficulties.

Charlotte Sieber-Gasser,
Research Fellow, DCU Brexit Institute

Brexit and the European Parliament Elections

On Thursday 16th May, the DCU Brexit Institute hosted a seminar event "**Brexit and European Elections 2019**" at Europe House, Dublin city centre. The event featured a panel discussion with Dr Anastasia Deligkiaouri (DCU School of Communications), Professor Gary Murphy (DCU School of Law and Government) and Dr. Rebecca Schmidt (DCU School of Law and Government) moderated by Tony Connelly (RTÉ). The second panel discussion featured candidates for the 2019 European Parliament elections, Barry Andrews (Fianna Fáil/ALDE), Frances Fitzgerald TD (Fine Gael/EPP) and Alex White (Labour/S&D) moderated by Professor Federico Fabbrini, Director of the DCU Brexit Institute.

The European Parliament (EP) is the only institution in the EU which enjoys a direct electoral mandate from European citizens. Multilingualism and multiculturalism are both inherent and well embedded in its structure and give the EP its unique character. The members of the European Parliament (MEPs), elected every five years, have a substantial impact on policy making in the EU and consequently they have a great impact on the EU, the member states and the everyday life of European citizens. The European Parliament elections constitute the moment of people, the voice of people, the highest democratic process of European demos and provide the citizens with the opportunity to choose their representatives.

While the European Elections have been running for 40 years since 1979, this year European citizens are called to vote while the EU is facing several serious ongoing challenges.

To mention some of the challenges, the decision taken for Brexit from the 2016 referendum in UK has been followed with long negotiations between the EU and UK bringing forward several anticipated, mostly institutional but also other implications not only for the UK but for the EU and member states. The institutional implications of Brexit in particular regarding the European Parliament, are very important especially when encountering the last extension of the withdrawal of the UK from the EU until October 2019 and the confirmation of the UK's participation in the EP Elections. The current landscape raises several legal and political concerns pertaining to the settlement of the final composition of the European Parliament which seems to sit on a rather unstable ground. If we consider that along with the different Brexit scenarios over the past few years we have also experienced the rise of populist and far right Eurosceptical and even anti-European parties then the importance of these elections or the future of European integration and the European idea in general is very high.

The economic recession, which was a hard test for the European economic governance architecture coupled with the severe policies implemented in several countries, have exacerbated concerns about legitimacy in decision making in the EU and have sometimes brought forward a discomfort from the member states followed by several social reactions. On the other hand, some member states have also faced their internal critical moments, e.g. the claim of independence from Catalonia in Spain that have asked for specific answers regarding EU memberships in these cases. To continue with the puzzling conditions that accompany these elections the hot topic of migration and refugee quotas in member states remains a big debate while there is a 'rule of law backsliding' recorded and acknowledged in academic research regarding particular member states.

In addition, these elections are taking place facing another struggle which has emerged the last years: disinformation, post truth narratives or simply the crisis of facts and truth as a concept and a social value, which was naturally threatened. Truth, trust in democratic institutions and knowledge are basic factors for a well-functioning democracy and the principle of a free, unconstrained but also well-informed public opinion is a premise all democracies aim to fulfill. To this extent political communication narratives and the channels they use to reach individuals are critical in informing citizens accurately not only for the challenges they have to respond to with their vote but also for the solutions articulated by different political parties and ideologies in order to address them. Certainly the media as the main sources and providers of information to citizens are key players in this information campaign.

The European Parliament has upgraded competences since the Lisbon Treaty. Among others, the EP is a co-legislator along with the Council of European Union in expanded areas of legislation. The European Parliament has a decisive role in the European annual budget especially in deciding spending priorities and it has a strong say in the economic policy of the EU. The EP exercises scrutiny of the Executive, the European Commission, a power which was enriched further with the introduction of the Spitzenkandidaten (or 'lead candidates') process, a process first followed in 2014 Elections. The EP committed to repeating the process and so the 2019 elections will at least indicate whether it has been adopted on a regular basis. Under this procedure, the results of the European elections are a major factor and should be taken into consideration for the appointment of the President of the European Commission (article 17.7 of the TEU). The President and the College of Commissioners has to be approved by the European Parliament. The Spitzenkandidaten process has introduced an element of electoral competition in the EP elections as European political parties appoint their preferred lead candidate for the Presidency of the EC. In this way they enter a competitive electoral process that aims both to inform citizens of the candidates and their basic positions on critical European issues and to strengthen the electoral competition, which is believed will fortify the democratic procedures.

Therefore the results of the European Parliament elections will shape the agenda and the decisions for the future of the EU, the Eurozone and Europe in general. The incoming MEPs have to respond to difficult and demanding calls and the composition of the EP and its decisions will literally shape the future of the EU and define the course of European integration and the European ideal in its entirety. These decisions and choices rely on the result of the European Parliament Elections and hence, it is important to underline that citizens need to be aware of the decisive role of these elections. The role of information flow both regarding audience reach and the validity of information provided by various citizens' channels remains a topical issue and can influence significantly the result. Member states need to demonstrate the importance of European Parliament Elections and reverse the usual misperception of the European Parliament Elections as "second order" elections or the investment of the European Parliament elections with purely national connotations although certainly there is a great national interest in their results.

Elections speak to the heart of democracy and European Parliament elections are the most important moment in pan-European representative democracy allowing citizens to have a direct say on European issues. This moment, however, and its importance has to be communicated and explained to the citizens. The European project is always ongoing but these elections will shape the agenda and guide the future of the EU. Even though participation increased for the 2019 European Parliament elections, this remains low in some member states and there is a need to motivate European citizens to voice their preferences with their votes. Motivation however should be accompanied with the enhancement of democratic criteria and a rising awareness regarding the importance of these elections and their impact for current debates and future decisions that will be made. The EU has accomplished much and has the potential to reach further milestones but this can be achieved successfully only when we have a vibrant and responsive European democracy.

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16 May 2019
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Sectoral Issues

Brexit and Development Cooperation

On the 11th of October, the DCU Brexit Institute hosted an event on "**Brexit and International Development Cooperation**" in the European Parliament Office in Dublin, in cooperation with the European Centre for Development Policy Management (ECDPM). The event featured opening remarks from James Temple Smithson (European Parliament Office Dublin), followed by an opening keynote address which was given by Minister of State for the Diaspora and International Development, Ciarán Cannon. This was followed by a panel discussion consisting of Niamh Gaynor (DCU), Nicolas Levrat (Graduate Institute Geneva), Andrew Sherriff (ECDPM) and Suzanne Keatinge (Dóchas), moderated by Hugh O'Connell (Sunday Business Post). Linda McAvan (Chairwoman of the European Parliament Development Cooperation Committee) provided the closing keynote address.

In thinking about the effect of Brexit on international development cooperation, it makes sense to focus on the continent that has, arguably, the greatest need but also the greatest potential. What are the likely implications of Brexit for Africa?

During a week-long trip to several African countries in August 2018, Prime Minister Theresa May pledged to deliver "a radical expansion of the U.K.'s presence in Africa" post-Brexit. This follows a long and, in many ways, successful relationship where the continent has played an important role in consolidating the UK's influence on the global stage. Following Brexit, this relationship looks set to become even more important.

Speaking in Cape Town in South Africa on the first day of her trip last month, Prime Minister May committed to maintaining the UK's current level of development cooperation which, at 0.7 per cent of national income, is one of the highest among OECD countries. However, she also noted that she was "unashamed about the need to ensure that our aid programme works for the UK." The question is – will what works for the UK also work for Africa? And if so, who in Africa will it work for?

The UK has a long record of a high level of aid spending in Africa. It met the United Nations 0.7 per cent target in 2013 and, despite stringent cuts elsewhere, has maintained this level ever since. It is currently the third largest donor country in the OECD, spending US$18.4 billion on development aid in 2017. Thirty-six per cent of this was channelled through multilateral agencies while the remaining 64 per cent was administered bilaterally. The UK has been a generous contributor to the EU's aid programme, contributing approximately 15 per cent of the EU's European Development Fund and its exit will certainly impact on this, at least in the short term. Overall, its contributions to multilateral agencies appear likely to fall post-Brexit as the country increasingly focuses on its own strategic priorities which emphasise the UK's national interests as well as those of Africa.

While the UK's current Development Strategy, published in 2015, includes four priorities – strengthening global security, resilience and response to crisis, promoting global prosperity, and tackling extreme poverty – the UK appears to be focused on just two of these in its post-Brexit engagement with Africa: strengthening global security and promoting global prosperity. On the first, global security, noting that "African and British security are inextricably linked," Prime Minister May has committed to increasing the UK presence in Chad, Niger and Mali. The Sahel will quite likely become an increasingly important site of EU-UK military cooperation. On the second, promoting global prosperity, increasing UK trade and investment on the continent will be key priorities moving forward. This is reflected in the targeting of middle income countries, some of whom – e.g. Ethiopia and Tanzania – rank among the world's fastest growing economies at present; and in the reduction in funding to DfID, the UK's main aid provider. This level has already been falling. DfID managed 86 per cent of the overall aid budget in 2014. This fell to 74 per cent in 2016. The

UK government now plans to allocate an increasing share of its aid budget through other ministerial departments and there are even controversial proposals to include investment by private for-profit companies and pension funds in the 0.7 per cent official aid allocation.

So what will this mean for Africa? In the area of trade, it remains unclear. Bilateral trade levels have been low compared to other G-7 states. Some commentators are optimistic that Brexit will provide an opportunity for African states to negotiate more favourable terms on trade agreements to those forged within the EU. Current EU trade agreements have proven controversial as they require countries to cut tariffs on imports from the EU thereby jeopardising their own domestic industries. While back in December 2016, then Development Minister Priti Patel was indeed talking of "leaving the EU to free up trade with the world's poorest", more favourable terms would seem unlikely as the UK has always been a strong proponent of liberalisation. The biggest impact post-Brexit would seem to be in the area of investment. This has steadily been increasing over the years, doubling between 2005 and 2014 and currently standing at approximately £43 billion. Prime Minister's May's £4 billion investment strategy, announced during her visit to the continent last month, aims at leveraging a further £8 billion and involves partnering African companies with the City of London for mentoring and technical assistance.

While these developments certainly offer new opportunities for Africa, commentators have expressed concerns that using a significant portion of the aid budget to boost trade and investment could increase inequalities within and across countries, thereby compromising the significant strides made in the past in achieving poverty reduction and pro-poor growth. Allied to this an important, and often overlooked aspect of development cooperation, is the role played by remittances. The World Bank estimates that over three times as much finance flows into African countries through remittances as through development aid. Home to a large migrant population, the UK is the 10th largest source of remittances worldwide. The fall in the value of the pound will have an adverse effect on these. And the UK's migration policy post-Brexit will most likely have an even more significant impact if the noises coming from Downing Street are anything to go by.

Let us not forget what prompted Brexit in the first place. In 2015, then Foreign Secretary (and now Chancellor) Philip Hammond claimed that the UK's number one priority was to find a way to make it easier to send would-be asylum seekers home. Prime Minister May has repeatedly committed to tackling illegal migration. Last year, she went one step further in proposing an end to free movement "once and for all", allowing only highly skilled migrants into the UK. Many countries who are heavily reliant on remittances (e.g. Senegal where 14 per cent of its GDP comes from remittances, or Liberia, where the figure is 27 per cent of GDP) are likely to suffer the inevitable consequences.

Overall therefore, while the UK's post-Brexit strategy for Africa would seem to offer important opportunities in trade and investment, a win-win outcome for all parties, most notably the continent's poor, appears less likely. It would certainly be a shame to undo the significant progress made in the areas of poverty reduction and pro-poor growth in the past, most notably when we are now learning that this very investment is one of the key factors underpinning the success of some of the continent's fastest growing economies.

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Brexit and Aviation

On the 15th of November, the DCU Brexit Institute hosted an event on "**Brexit and Aviation**" in Grant Thornton's Dublin city centre offices. The event featured opening remarks from Michael McAteer (Managing Partner, Grant Thornton), followed by a keynote address given by Wolfgang Schuessel (Former Chancellor of Austria). This was followed by a panel discussion consisting of Cathal Guiomard (Lecturer in Aviation, Dublin City University), Vincent Harrison (Managing Director, Dublin Airport Authority), Cathy Mannion (Commissioner, Commission for Aviation Regulation), Tim O'Connell (Head of Aviation Advisory, Grant Thornton) and chaired by Sinéad O'Carroll (The Journal).

Air travel is overwhelmingly international. Brexit will therefore have effects not just in the UK but across the EU and in fact to some extent in much of the world. For example, if British Airways is unable to continue a London-Berlin service, regular passengers at the German as well as the British end will be affected.

Brexit has brought into the open the very tangled and antiquated legal environment in which international aviation operates. Last year, when the Taoiseach observed that outside the EU, British airlines would have no automatic right to fly to or from Ireland, this was treated (or, at least, presented) as a discretionary and disruptive action by the Irish government. In fact, it was just the application of existing international aviation law.

Even before it happens, some of the effects of Brexit on aviation are already being felt. EU airlines benefit from being part of an EU 'common aviation area', allowing their planes to fly anywhere within the EU's borders, permitting services to be added or closed as business demands. But to qualify as an EU airline, the airline must be owned to at least 50% by EU nationals. After Brexit, UK citizens will naturally no longer count as EU nationals, and therefore (without rule changes) many UK airlines will fall below the 50% threshold and no longer qualify as 'Community carriers'. Such airlines will no longer enjoy unrestricted flying rights - unless the UK, post Brexit, negotiates an aviation treaty with Brussels. To have certainty, a number of UK airlines have opened EU subsidiaries. Easyjet, for example, has done so in Vienna. Outside the EU, UK airlines could also no longer use EU-US aviation agreements, so air services across the Atlantic would also be affected. These agreements can in principle be redone, but not overnight, especially with the large body of laws the UK will need to replace across its economy generally. And it is inevitable that countries will seek to squeeze an advantage from a UK which will often be the smaller party in these negotiation.

In addition to the impact of Brexit on economic agreements, safety regulation requires compliance with a system of separate rules. These include validation of personnel (aircrew, air traffic controllers, key airline managers), equipment airworthiness (aircraft, tested at the level of the individual component), airport safety, air operations, air traffic management, navigation services, and other aspects. There are rather bulky rulebooks for all of these. UK airlines will not be accepted as safe airlines to fly internationally (globally) without a British replacement for these

EU safety rules. Right now, the UK does not have the capacity to take over these roles, since the UK recently transferred these responsibilities to the European Aviation Safety Agency (EASA). Unless the UK can retain membership in EASA after Brexit (some non-EU states are members, such as Switzerland), it will have to fall back on its own resources for aviation safety regulation.

While defending its own rules and its own market, the EU is also keen to lay the basis for a sensible economic relationship with the UK after Brexit. Last October, the Transport Directorate offered the UK an extension of existing flight rights, for point-to-point services, provided the UK would offer the same in return. Such approaches would help to moderate the impact of a 'Brexit day', although that offer would not allow the second leg of airline services from a UK airport to an EU airport continuing onwards to further EU airports.

Brexit has thrown British and EU aviation under a cloud of uncertainty. It has raised costs for UK airlines and consumed a large amount of managerial time. It will require the eventual replication of numerous international agreements, absorbing civil service and industry time that has better uses. It leaves the application of prevailing safety rules in some uncertainty. No one knows if a post-Brexit UK will opt to go in the direction of further deregulation (including in aviation, for instance, with respect to passenger rights) or aim to stay broadly in line with EU rules. Brexit threatens to weaken airline competition and to increase ticket prices for passengers. More generally, the UK's strong voice in favour of competition and efficiency will no longer be heard in the decision-making halls of the EU. In Ireland, Brexit has put in question the right of the two major Irish airlines to continue their within-EU services, given their part or complete ownership by UK shareholders. It could jeopardise the recent strong recovery of the business of Dublin airport. Any recession, or slowdown, in the UK economy, following Brexit, would separately dampen Irish-UK air travel.

Many of the agreements and policies sketched above were in recent decades promoted and in some cases created by UK governments, mostly operating via EU institutions. So, perplexingly, in the name of 'taking back control', Brexit is dismantling the UK's own economic and legal legacy. And although Brexit has highlighted the antiquated nature of international aviation law, it is difficult to be hopeful that it will prompt its overhaul any time soon.

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Brexit and Agri-Food

On January 31st, the DCU Brexit Institute hosted an event on "**Brexit and Agri-Food**" at the Helix, Dublin City University (DCU). The event featured an opening keynote address by Micheline Calmy-Rey (Former President of Switzerland) and featured a panel discussion with leading academics and industry specialists. The panel included Eric Clinton (DCU), Shane Hamill (Bord Bia), Cathal O'Connor (AIB), John Jordan (ORNUA) and Paul Wilson (Monaghan Mushrooms). The panel was chaired by Matthew Dempsey (Irish Farmers' Journal). The event concluded with a closing keynote address by MEP Brian Hayes.

Brexit is not the only challenge facing family businesses in Ireland's agri-food industry. There is also the minefield of intergenerational succession. And for the fortunate minority that overcome the dangers, the dubious reward is the prospect of negotiating it all over again once the generational cycle comes full circle. The most significant challenge faced by family businesses in 2019 may be that of Brexit but a far superior challenge lies in waiting, namely passing the business on from one generation to the next. Therefore, it is of upmost importance to understand the life cycle of a family business.

Research from Professor Ward of the Kellogg School of Management, estimated that 30% of family businesses will survive to the second generation, but only 12% will survive to the third. Optimising the likelihood of business survival requires family businesses to lay forth a workable plan in securing next generation involvement.

The normative family business life cycle encompasses four distinct phases, according to Professors Ken Moores and Mary Barrett, who developed the 4Ls framework and identified these four phases as: learning business; learning our family business; learning to lead our business; and learning to let go of our business.

The first two phases, known as the apprenticeship stage, involve individuals working 'in the business'. During the final two phases, or stewardship stage, individuals work 'on the business'. Each phase has a set of priorities, paradoxes and pathways.

In 'learning business', the business aspirant discovers both practical and theoretical skills required for leadership, but where best to do so is a topic of universal debate. In the first phase of the cycle, learning sourced outside the family business can prove advantageous. The skills and knowledge acquired outside could later be transposed to the family business. The caveat, of course, is that once outside, the aspirator may not desire a return to the family firm. While concentration is focused on preparing the successor for eventual leadership, it must be noted that not everyone will be the leader.

During the phase, 'learning our business', preparing the successor may run concurrently with planning the incorporation of other family members into the business; possibly by appointment to leadership roles in a non-operational capacity. The core values of the business, and the incumbents and those who created the business must be examined by those planning to take a leadership role.

Continuity of these core business values is essential for upholding a long-standing business image which both external and internal stakeholders will recognise. However, business leaders must adapt to the continuously changing market, especially when products or industries become obsolete. The next generation must consider how they will continue differently in the business. Acquiring business knowledge and knowing how best to implement it are two different things. However, the gap between the two is bridged by what is called 'a special perspicacity', which is the insight upon which the third phase 'learning to lead our business' is based.

Leading any company is a difficult undertaking, but due to the increasingly expansive family system, leading a company with family involvement is exponentially more challenging. Moores and

Barrett's study of successful family leaders suggest that they possess both business astuteness and well-developed self-insight.

Transitioning to the final phase, 'Learning to let go of our business' requires a degree of foresight and preparation. Adequate planning is a prerequisite of a smooth transition, as is the willingness of the incumbents to lead their own departure, rather than simply to acquiesce to it.

In the 4Ls framework, there are three main guidelines to follow when stepping out of a leadership role: develop a defined timeline for retirement; create management development systems; and most importantly, stick to the plan.

Stepping out of the business is almost uniformly the most difficult and unnerving part of the succession process for incumbents, and can be particularly challenging for first generation founders of the company. While the incumbent managing director may initially stay back to oversee the aspirator's transition into the new leadership role, this overlap should not be unnecessarily lengthy.

Transparency and communication is a key factor when such a huge change is taking place and stakeholders, both internal (staff and management) and external (customers, suppliers, financiers), should be made aware of how this transitional stage is being managed.

Incumbents have an essential role in facilitating the appointment of their successor. During the 'learning to let go' phase when the potential leader is learning about the family business, they may question the business structure or the traditions held by the incumbent. Communication, therefore, is vital. Any business-oriented queries, concerns or taboo topics should be aired. Incumbents should encourage aspirators to gain outside knowledge and experience, but, the decision of potential successors to join the business or pursue a leadership role should be made voluntarily. Also, an incumbent leader should recognise the possible need for an outsider to fill a managing role, either temporarily or indefinitely.

Family businesses which embrace the learning curve set out in Moores and Barrett's 4Ls model position themselves as 'families in business' or 'business families' according to Prof. Justin Craig of Northeastern University in Boston. "By signalling to the next generation that, while we the incumbents have concentrated on a particular business which has served the family well, the leaders appreciate that this industry or this particular business may not be as attractive or have the same meaning to following generations," said Prof. Craig. In turn, this attitude fosters entrepreneurship and encourages innovation. The core business resources can enable the next generation members to pursue their own entrepreneurial activities.

Ensuring the survival of family businesses is of economic, social and cultural importance to Ireland. "For generations the heartbeat of Ireland was driven by family businesses," stated Former Taoiseach, Enda Kenny at the launch of the DCU National Centre for Family Business.

Approximately 75% of all Irish firms are family businesses and together they contribute greater than 50% of the country's gross domestic product. Apart from providing direct and spin-off employment, family businesses are significant contributors to local community investment, philanthropic efforts and the historical or cultural importance of their locality.

Opportunities for family businesses are immense. The potential to internationalise, diversify product lines and innovate are open avenues for growth. One of Ireland's oldest family-owned food producers, Flahavan's Porridge Oats, generated further growth for their business through strategic alliances with other companies, the most eye-catching of which was a near-perfect marriage of the old and the new when they brokered a deal with McDonald's to sell their porridge oats in 84 McDonald's restaurants nationwide.

While most family businesses are categorised as small and medium enterprises (SMEs), there are those who have achieved national, international and even global recognition. From the national success of ubiquitous Irish family brands such as Barry's Tea, Keeling's and Brennan's bakery to the multinational eminence of US giant Wal-Mart, family businesses across the world have shown themselves to be capable of becoming market leaders.

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Brexit and SMEs

On March 27th, the DCU Brexit Institute together with the DCU Engagement Department hosted a breakfast briefing on "**Brexit and SMEs**" targeted to Small to Medium Enterprises (SMEs). The event was hosted in DCU Alpha. The briefing was given by Professor Federico Fabbrini, Director of the DCU Brexit Institute, who was introduced by Ellen Drumm, President, North Dublin Chamber of Commerce.

The Brexit process has now entered a new phase since the imminent threat of a no deal exit in March 2019 has passed. For the general public the extension which has been granted to the British government has brought with it a lull in the Brexit coverage and the possibility to take a break from what has been an exhausting process since Article 50 was triggered. However, for **business** the uncertainty which began on the day of the Brexit vote in June 2016, continues to have a major effect on activities. Brexit continues to be the single biggest risk factor identified by senior management in Irish and British organisations. Traditionally, when uncertainty from a particular event hits, there is an **early surge which subsides relatively quickly as markets and organisations learn and respond**. Brexit has been different as the uncertainty has endured since the final votes were counted on that fateful day in June 2016. This has been particularly felt in Ireland where the ramifications of any Brexit decisions will be magnified due to well documented historical, cultural and economic ties. For business the uncertainly has been difficult to quantify due to a lack of knowledge around when the UK will leave, what the EU-UK relationship will look like post Brexit, and most pressingly, how the UK will transition out of the EU and what this will mean for such areas as market access, labour and regulation.

Right throughout the Brexit process to date there have been variances in how organisations and sectors are preparing for what lies ahead. Particularly there are differences in terms of the sector, scale of organisations and their activities. Highly regulated industries evidence early investment in preparatory activities, given the nature of their business. However, this is not consistent across the board. In general larger scale organisations with greater financial scope have made investments on either side of the EU-UK border, thereby insulating themselves from the risks of any new trading relationship. At the other end very small organisations have prioritised agility in their operations to avoid over-exposure in the event of any Brexit related trading difficulties. The real concern however is for organisations in the small/medium sized enterprise area who are big enough to be hurt by Brexit, but not so large that they can make investments to eliminate the risks. For those organisations the decisions can be quite stark. In many scenarios a strategic decision can come down to a choice of investing in Brexit preparations without knowing what the outcome is likely to be or to invest in current practices which will make the organisation more competitive now. Business does not happen in a vacuum: in addition to Brexit, organisations are still faced with all of the modern challenges, from competition and technological change which must be accounted for every day in all businesses. Brexit preparation is just one more business challenge but when management cannot predict what will happen time and resources will often be allocated elsewhere.

The demand for businesses to respond to priorities other than Brexit is clearly illustrated by the numbers of companies who have registered for their Economic Operators Registration Identification (EORI) number. Registration is required for any business intending to import or export to the UK post Brexit. The EORI number is already used by any company trading with a non EU country. As it currently stands roughly less than half of Irish businesses have registered to date. The Revenue Commissioners recently wrote to an additional 70,000 businesses advising them of the requirement. The percentage registered in the UK is even lower and there is currently a major awareness programme underway to publicise the issue. Another crucial issue is the capabilities of Irish businesses to interact with Customs, as many businesses have enjoyed free trade within the EU since their inception. There is a level of export expertise which companies will need to develop to deal with the challenges of trading post-Brexit. Currently there are 1.6 million customs declarations made in the Republic of Ireland per annum. Post Brexit that number could rise to 20 million. This phenomenal increase could drive costs and trigger bottlenecks in supply chains. Companies must prepare and map their supply chain to identify possible problem areas. It is also vitally important that companies open dialogue with their strategic partners outside of their own organisation. If an organisation is fully prepared for changes in customs procedures but their UK partners are not as prepared, this could undermine the flow of goods for the entire supply chain. To counter this problem companies are encouraged to engage in partnerships or strategic alliances with appropriate organisations on different sides of the EU-UK divide. This can be mutually beneficial for both, particularly regarding the import and export of goods.

Situations such as this highlight the importance of the flow of goods, which has dominated much of the Brexit analysis and debate up to this point. Although the specifics are not yet agreed there is a huge amount of expertise and knowledge to draw on from previous historical trade agreements to guide policy makers and business on how the final trade arrangements may affect trade in goods. There is however far less understanding on how the new trading arrangements may affect services. The growth in services as a strategic part of the economy of the EU and the UK has grown hugely in importance in the last 20 years within the Single Market. In this new arrangement there will also be new and complex regulations required for services companies where the exchange of knowledge is a lot less tangible that the goods flowing from British and Irish ports. Some organisations may export goods to and from the UK, but their primary revenue source may be generated by additional services associated with the maintenance of those goods. The combination of goods and services in many company business models brings added complications. For example, the EU demands that third countries maintain Data Adequacy of personal data before it will share data. The EU requires the third country's data standards to be comparable to the EU's own. The UK's compliance with GDPR may be sufficient, but a final decision on adequacy could take years. This could have a huge impact in sectors such as, advertising, health, insurance and technology where the transfer of personal data is increasingly important. This is just one example of where the new service knowledge-based economy could create far more complexities for the post-Brexit landscape that has already been anticipated.

Despite the undoubted challenges of Brexit there are certainly some positives. Many of the Irish companies that survived the last recession have been hardened by the experience. A greater focus on efficiency, innovation and internationalisation means that many Irish companies are now better prepared for the Brexit challenge. For example, although the levels of exports to the UK have stayed strong, as a percentage of overall exports that figure is falling, as Irish exports increase to other trading partners. However, the British and Irish Chamber of Commerce caution companies to focus on securing their core markets first as, regardless of the final agreement, the UK will continue to be a vital trading partner for business in Ireland. From an Irish business perspective the focus of attention should be on maximising the regulatory environment between the EU and the UK in the negotiations. This will require continued engagement from all stakeholders on the business and policy side. Unfortunately, for the time being the only certainty with Brexit is uncertainty, but that will end, and those organisations who have developed the necessary knowledge and flexibility will be able to take more advantage of the post Brexit environment.

The authors would also like to acknowledge the contribution of Katie Daughen, Head of Brexit Policy, British Irish Chamber of Commerce.

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Ongoing Issues

Brexit and the EU Institutions

On June 14 2019, the DCU Brexit Institute hosted an event on "**Which Brexit After European Parliament Elections?**" It featured an opening keynote address by Dr. Mark Speich, State Secretary for Federal Affairs, Europe and International Affairs, North Rhine-Westphalia. This was followed by a panel discussion featuring Francis Jacobs (former Director European Parliament information office in Dublin), Eoin O'Malley (DCU), John O'Brennan (Maynooth University), and Jennifer Powers (Competere Trade Policy), moderated by Paddy Smyth (Irish Times).

All EU institutions will be affected by Brexit, but it has a particular acute impact on the European Parliament.

The decision by the European Council to grant further extension under Article 50 (3) TEU to the UK's withdrawal from the EU will impact the European Parliament in unprecedented ways. One crucial factor for this impact is the UK's participation in the EU Parliamentary elections. As a result, the composition of the Parliament will need to adapt to accommodate a prolonged UK membership, creating novel challenges.

The general rules regarding the composition of the European Parliament can be found in Article 14 TEU. Article 14 (2) TEU stipulates that the Parliament of the European Union shall consist of a maximum of 750 representatives plus the President. Article 14 (2) TEU further requires that "representation of citizens shall be degressively proportional, with a minimum threshold of six members per Member State", whereby no "Member State shall be allocated more than ninety-six seats". The allocation of seats among Member States is furthermore supposed to reflect demographic developments. The final detailed composition is decided by the European Council on a proposal of the European Parliament, and with the latter's approval. In the 2014-2019 parliamentary term seats in the European Parliament were allocated as follows.

Parliament consists of a total of 751 MEPs originating from 28 Member States. The highest number of MEPs (96) were elected in Germany, followed by France, Italy and the UK (74, 73 and 73). Estonia, Cyprus, Luxembourg and Malta are currently sending the minimum number of 6 MEPs; other countries are in between, for instance Ireland elects 11 MEPs, Greece 21, and Poland 51.

On 28 June 2018 the European Council took stock of the decision of the UK to leave the EU and decided to lower the number of representatives from 751 to 705 for the new 2019-2024 parliamentary term. Lowering the number of representatives by 46 is supposed to reflect the lower total population of the Union after Brexit and will make room for potential new Member States. However, as the UK are currently sending 73 representatives, this decision also means that 27 seats will need reallocation. For this reason, Council Decision 2018/937 stipulates that 14 Member States will be assigned a higher number of representatives. Thus, for instance, the number of MEPs from Ireland will rise from 11 to 13; the number from France will increase to 79; the number of German MEPs, on the other hand, will stay the same, as Germany is already sending the maximum number.

As a condition of the extension of Brexit after 1 June 2019, the UK participated in the EU parliamentary elections, with significant consequences for the incoming 2019-2024 EU Parliament. First and foremost, UK participation required a return to the old allocations of seats applied in the 2014-2019 term. In fact, the EU Council in the above mentioned 2018 Decision envisaged this scenario by stating that in the event that the UK is still a member of the EU, parliament will continue to be composed of 751 MEPs (73 of which will be elected in the UK) until Brexit has materialized. This also meant that the 14 Member States which would have received additional seats, will not be able to send the new higher number of representatives (e.g. the number of MEPs from Ireland will remain 11 instead of 13). This composition will be reversed once Brexit takes effect. In this scenario the MEPs elected in the UK are to leave the Parliament. The total number of MEPs will be lowered to 705 and the 14 EU Member States which would have received extra seats had the UK exited before May 2019 will fill up the additional 27 spots according to the rules outlined above.

Consequently, Member States which are supposed to send one or several of the 27 new MEPs need to accommodate for this in their electoral laws. In fact, a number of Member States have already done so: Ireland's European Parliament Elections (Amendment) Act 2019, for instance, includes a clause that allows it to postpone the accession of the two additionally elected MEPs to the EU Parliament until the Brexit issue is resolved. Similar provisions were made in other Member States affected by Council Decision, such as France, Spain or Poland.

As can be seen above, the current arrangements for the 2019 EU Parliamentary Elections have two central effects: A suspensive effect for those incoming MEPs, who will only be able take up their mandates once those are vacated by the UK MEPs after Brexit; and a resolutive effect for UK MEPs who will be elected into the new Parliament but are supposed to vacate their seats after Brexit has taken effect. Both effects come with unique constitutional challenges.

Brexit's suspensive effect, apart from the logistical issues outlined above, causes two additional concerns: Is it possible from a constitutional law perspective to elect MEPs based on a suspensive condition; and is the conditional election in line with the constitutional requirements of the electoral process? Given the legislative underpinning the answer to these questions appears to be yes.

Regarding Brexit's resolutive effect the question arises if and under what conditions the UK MEPs can be required to give up their mandate and leave parliament before the regular termination of their mandates. Here constitutional challenges appear to be more serious: According to Article 14 TEU, MEPs are elected for a five-year term and they are also representing all Union citizens rather than just the residents of the country they were elected in. Making UK MEPs leave Parliament before the end of their term would be at odds with their duty of continued Union citizen representation.

Thus, the recent Brexit extension, might allow for some breathing space in the difficult exploration for the most viable withdrawal route, but at the same time it is creating significant problems elsewhere.

Rebecca Schmidt,
Assistant Professor,
DCU School of Law and Government

Brexit and Ireland

The question of the land Border between Ireland and the UK is central to the Brexit debate, and it has been the major stumbling block in the British government's attempts to get the negotiated withdrawal agreement passed through the UK Parliament.

In the aftermath of the Brexit referendum the problems that a hard land border would create for both parts of the island of Ireland, in terms of economic disruption and more importantly its capacity to undermine the Good Friday peace agreement of 1998, were core concerns of the EU negotiating team. To avoid these problems a de facto border in the Irish Sea, allowing Northern Ireland to retain full access to the Single Market was the preferred option of the Irish Government, and ultimately the EU. This potential solution was strenuously opposed by the Democratic Unionist Party (DUP) of Northern Ireland who had supported Brexit and also from the beginning by elements of the Conservative Party, in the belief that such an arrangement would weaken the constitutional relationship between Northern Ireland and the UK. The position of these groups was strengthened after the 2017 parliamentary elections when the Conservative Party became dependent on the votes of the DUP members of parliament in order to form a minority government.

The controversy around the Irish border was the biggest obstacle to finalising the draft withdrawal agreement. The British Government's negotiating strategy was based on the belief that the EU would finally concede on this issue and decide in favour of the large and significant economy of the UK over the comparatively small economy of Ireland. They did not take into account that the EU, in this case, was supporting an EU member state, against a state that was leaving. EU support for the Irish Government was also based on an international treaty signed by the UK, which gave a political and legal basis for the EU position and permitted the EU to insist that the Good Friday Agreement be upheld, even against the UK Government's wishes.

The draft withdrawal agreement, finalised between the European Union and the United Kingdom in November 2018, included a 'backstop' provision that would avoid a hard border on the island of Ireland. This involved a transition period to the end of 2020, during which time all EU single market rules would apply to the UK as a whole. If no long-term trade deal had been agreed by the end of 2020 (or by the end of any agreed extension period), then a backstop provision would be triggered and create 'a single customs territory between the (European) Union and the United Kingdom'. Under this provision Northern Ireland would remain aligned with the rules and regulations of the EU single market in order to avoid regulatory checks on the Irish border, even if the regulatory framework in place in the rest of the UK deviates from that of the EU.

The hard-line, pro-Brexit, MPs in the Conservative Party made the special 'backstop' arrangement for Northern Ireland, and its implications for the rest of the UK, the focus of their attacks on the draft agreement. For the EU and the Irish Government, ensuring an open Irish border was not negotiable. This led to a series of highly charged anti-Irish attacks by leading Conservative MPs, including a statement that 'The Irish really should know their place' and even threats of food shortages.

The agreement was defeated in the UK Parliament in early 2019. In the wake of this failure the British Government continued negotiations with the EU seeking to find an agreement that would allow the backstop provision to be removed in a bid to secure majority support in the British Parliament. While

the EU issued a clarifying statement, that it was its ambition that the backstop would be temporary, it continued to insist that the backstop had to cover the eventuality that no other solution is found to avoid a customs border on the island of Ireland.

Following the decision by the EU to extend the deadline for the UK to leave the EU with a negotiated agreement to 31 October 2019, the focus of the debate in the UK has been on the failure of the Government and Parliament to find a majority for any possible way forward, with increasing divisions in the Conservative government and party. But at the core of this chaos is the apparent impossibility of achieving parliamentary support for the negotiated withdrawal agreement while it contains the Northern Ireland backstop. The EU have remained firm in their support for the 'backstop' provision, with Michel Barnier saying that the, 'backstop is currently the only solution we have found to maintain the status quo on the island of Ireland ... Let me be very clear. We would not discuss anything with the UK until there is an agreement for Ireland and Northern Ireland.' The EU insisted that even in the event of 'no deal', the question of Northern Ireland would be reflected in EU terms for any future trade agreement. These views were also reflected in the US Congress where Speaker Nancy Pelosi said in a speech to the Irish parliament that, 'if the Brexit deal undermines the Good Friday accords there will be no chance of a US-UK trade agreement'.

The draft Withdrawal Agreement of 2018, unless it is renegotiated, is the only basis for which the UK can leave the EU while avoiding a no-deal crash out. Reflecting back on the previous 12 months, the decision by the British Government to refuse to consider the option of an 'Irish Sea' border, and the entrenched conservative nationalism of the DUP and sections of the Conservative Party have prevented an orderly withdrawal and also undermined the political stability of the UK state. While the imposition of a land border on the island of Ireland would be problematic for security, social and economic reasons, it also could bring a 'united' Ireland closer as a way of dealing with these problems. It seems unlikely that the UK will easily recover from the deep divisions and political upheavals engendered by the Brexit process, whatever the final outcome is.

Eileen Connolly,
Professor of International Politics,
DCU School of Law and Government

John Doyle ,
Professor of Politics and Dean,
Faculty of Humanities and Social Sciences

Brexit and British Politics

British business has no party, but it fears Corbyn's socialism three times as much as Brexit.

Politics used to be easy for British business. There was really only one relevant policy dimension (left versus right) and really only one party worth supporting (the Conservatives). The role of the state in the economy and the management of inequality had structured British politics since the first mass-suffrage elections. Although the distance between the two parties was constantly changing, the Conservatives have always been to the right of Labour on this dimension. This century of straightforward politics meant that the Conservatives received substantial donations from the business sector. These donations varied a lot over time, but the question has always been: "How much do we like the Conservatives?", rather than "Do we prefer Labour or the Conservatives?" Sure, Tony Blair claimed that the Labour party was the "Natural Party of Business", and attracted the support of some rich people, but even during New Labour's pomp, the number of businesses donating to Labour were a fraction of those contributing to the Conservatives.

Contemporary British politics is very difficult for British business. Now there are two dimensions. The left-right dimension has been separated from contestation of the extent to which the state will engage in frameworks of multilateral economic governance. Painfully, both main parties have taken up positions which are distressing for British business, albeit on different dimensions. For the first time in a century, there is no British party which is clearly pro-business. On the globalisation dimension, the Conservative Party has spent most of the last two years committed to a so-called "Hard Brexit" that almost inevitably involves reduced access to the largest market for UK business, along with disruption of long-established supply chains. On the old left-right dimension, the Labour Party has its most left-wing leader since at least 1983 and the radical left is increasingly prominent at all levels of the party. The funders of the Conservative Party need to make up their minds as to which is more frightening, the left-wing politics of Jeremy Corbyn's Labour or the nationalist foreign economic policy of Theresa May's Conservative Party.

In this new more complex and fluid policy space, donations to political parties can provide insights into the preferences of donors. I study 19,000 donations to the Conservative Party between 2001 and the end of 2017. I focus on how many businesses donate to the Conservatives on a given day, rather than how many donations (as one business can make several simultaneously) or their financial value (as large donations can skew the numbers). I take into account regular influences on donations, such as the popularity of the parties, which party is in government, the time since the last election, and whether an election has been called. My calculations imply that donations under Brexit were 87 percent of what they otherwise would have been and that donations after Corbyn were 151 per cent of what they otherwise would have been. These are massive effects: Corbyn had an effect double the size of a 12 per cent increase in the Conservatives' lead over Labour and Brexit was equivalent to a decrease of over 4 per cent. I also investigate the impact of different versions of Brexit by tracking the number of articles in the UK mentioning "Hard Brexit" or "Soft Brexit". Twenty-six fewer articles (one standard deviation) about Hard Brexit imply a sixteen per cent increase in donations. Nine more articles (also one standard deviation) about Soft Brexit imply a thirty three per cent increase in donations. These figures are little bit more tentative, but also indicate the strength of business sensitivity to the globalisation dimension and its impact on the finances of the Conservatives.

The UK Electoral Commission is unlikely to release data on the first quarter of 2019 until early June. Only at that point will it be possible to assess the impact of the news mentioning "no deal" on donations. On the basis of this research, we can speculate that it will not be as dramatic as many might expect, given the undiminished threat of a Corbyn government. The failure of the pro-European parties, such as the Liberal Democrats, Change UK, and the Greens to unify means they cannot yet offer a stable partnership to business. The Brexit Party is a nationalist party that is even more hostile to multilateral governance than the Conservatives, but less threatening than Labour on the left-right dimension. It is possible that the Conservatives will benefit from a Farage effect, as well as a Corbyn effect, in business funding. I suspect it is more likely that business funders will sit out the European Election and its aftermath. Many expect that the Brexit Party will not be able to repeat its European Parliament success in a national parliamentary election, as happened with the UK Independence Party in the 2014 European and 2015 British general elections. If Brexit really does break open the party system, business donations will be much more speculative than at any time in the last century.

The British case offers both reassurance and a warning to other business-funded parties considering a foray along the globalisation dimension. It is reassuring that the financial flood from Corbyn's election was greater than the financial drought attributable to Brexit. This suggests that the left-right dimension remains more salient than the globalisation dimension. A pro-business position on the left-right dimension may allow centre-right parties to limit the financial damage from anti-globalisation moves. It is a warning that Brexit would have been a severe financial constraint for the Conservatives if it were not for Labour's lurch to the left. Other centre-right parties cannot rely on their competitors to be so obliging.

This chapter is based on research recently published in Political Studies.

Iain McMenamin,
Professor of Comparative Politics and Head of the DCU School of Law and Government

Brexit and the EU Budget

Given that the UK is a net contributor to the EU budget, i.e. it pays in more than it receives back, Brexit will have an immediate impact on the EU budget. This impact is exacerbated by the fact that the UK is the second largest economy in the EU in terms of GDP in 2017 and the third largest in terms of gross national income (GNI) and population.

The implication of a reduced net contribution is that either expenditure by the EU will have to be reduced or contributions from Member States will have to increase. This is because, unlike Member States, the EU must balance its budget and cannot borrow. As Member States benefit differently from the various EU measures, reducing the budget for any individual measure will have a differential impact across Member States. Likewise, increasing the contributions by a percentage will affect Member States differently.

The EUs budgetary system was set up to reflect both the size and prosperity of countries and it is thus not surprising to find the large EU Member States paying more into the EU than small ones and richer ones more than poorer Member States. Thus, Germany is the largest contributor followed by France and Italy. The UK is only the fourth largest contributor despite being the second largest economy in terms of GDP. This is explained by the so-called UK rebate which was negotiated by Margaret Thatcher back in 1984, based on an argument that the UK's VAT tax base, on which part of the contributions are based, was larger than that of other Member States. In 2017 the UK rebate amounted to just over €4.9 billion and the EU budget for that year was €137 billion.

The EU's budget is set for a multi-annual period of seven years. Almost 83% of the budget is spent in two areas, namely what is called Smart and Inclusive Growth (infrastructure, research, education and training) and Sustainable Growth (primarily the Common Agricultural Policy). Over time the spending priorities have changed in that the share of expenditure going on Agriculture, Fishing and Resource measures has been declining from about 50% to around 40% over the period 2000 to 2017. Expenditure related to Economic and Social Cohesion, such as the structural funds and education and training measures has remained roughly similar. The share of expenditure on other areas has increased from around 20% to 30%.

The UK received the lowest per capita expenditure (€96), while Lithuania received the highest at €553 per person. Other more prosperous countries such as Sweden, Netherlands and Germany also have relatively low per capita EU expenditure, while poorer and in particularly more recent Members of the EU receive higher levels of expenditure. Apart from prosperity, the per capita expenditure is significantly determined by differences in industrial structure. Countries where agriculture and particular certain types of agricultural activities are important receive more from the EU budget than those where agriculture is unimportant. This explains why Ireland and Denmark receive above average expenditure despite their relative prosperity.

The Draft Withdrawal Agreement contains details about the financial settlement related to Brexit. This covers binding commitments both in terms of expenditure and contributions as well as all liabilities. While the net contributions under the Withdrawal Agreement, the so called Brexit bill will constitute a significant contribution to the EU budget in the short term, after Brexit and when these liabilities have been covered the UK is likely to make at best a minor contribution to the EU budget unless it agrees to a relatively soft Brexit. If one assumes that this contribution will be zero it is possible to estimate the effect of Brexit on the total budget. This calculation shows that Brexit will reduce the EU budget by 5.4%. This could either result in a reduction of expenditures by 5.4% or it would require an increase in Member State contributions by an amount equivalent to 5.4%. Of course some combination of expenditure cuts and contribution increases is also possible and perhaps most likely. However it is simpler to look at the two extreme results. Given that contributions and expenditure are not evenly distributed across Member States the impacts are also heterogeneous.

A simple simulation of reducing EU expenditure in all countries by 5.4% results in very different impacts. For example Bulgaria, Lithuania and Luxembourg would see a reduction in expenditure in excess of 0.2% of Gross National Income (GNI). The figure for Luxembourg is explained by the small size and the importance of the EU expenditure through the EU institutions located in Luxembourg. In contrast countries such as Netherlands, Germany and Sweden would see the smallest reductions relative to their GNI of just 0.02%. If however, one increased budgetary contributions to make up the shortfall due to Brexit the biggest losers would be Belgium where the contribution increase would amount to 0.06% of GNI. Interestingly Bulgaria and the Czech Republic would also be badly hit. In contrast Slovakia, Finland and Sweden would be least affected. Overall, the impact of expenditure cuts results in larger impact differences than an increase in contributions. Of course, increasing contributions of all countries equally is likely to be resisted by poorer countries, while they would also resist a cut in expenditure. However, given the importance of agricultural measures in the expenditure some richer countries would also be more affected by expenditure cuts, which suggests that the agricultural budget in particular is likely come under pressure.

The simple analysis shows that there will be difficult negotiations regarding the budgetary adjustment due to Brexit given that the effect of different ways to deal with the shortfall differs significantly across Member States.

Edgar L.W. Morgenroth,
Professor of Economics, DCU Business School


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Conclusion

In academic year 2018/19 the DCU Brexit Institute held two events overseas in cooperation with Ireland's Department of Foreign Affairs and Trade. On the 27th September 2018, a special event on "**Brexit and the Future of European Foreign Policy**" was held at, and in cooperation with, the Irish Embassy in Berlin. The event was opened by Michael Collins, Ambassador of Ireland to Germany. It featured a keynote address by Roderich Kiesewetter, Member of the Bundestag Foreign Affairs Committee. This was followed by a panel discussion featuring Katharina Gnath (Bertelsmann Stiftung); Jana Puglierin (German Council on Foreign Relations); and professor Federico Fabbrini, Director of the DCU Brexit Institute. The discussion was moderated by Jochen Bittner, from the newspaper Die Zeit. On 25 June 2019 the DCU Brexit Institute held a special event on "**Brexit and the Future of Europe: French and Irish Perspectives**" in Paris, at, and in cooperation with the Irish Embassy to France. The event was opened by Patricia O'Brien, Ambassador of Ireland to France. It featured Neale Richmond, the Chairman of the Irish Seanad Brexit Committee, Sylvie Goulard, Deputy Governor Banque de France and professor Federico Fabbrini, Director of DCU Brexit Institute, moderated by Stephen Carroll, business editor of France 24.

In June 2019, the process of withdrawal of the United Kingdom (UK) from the European Union (EU) remains more uncertain than ever. 36 months after the British people voted to leave the EU, and over 26 months after the UK government notified to the European Council its intention to withdraw according to Article 50, Brexit remains a journey to an unknown destination.

If paradoxically the difficulties that the UK is facing in leaving the EU – and ultimately the UK decision to participate in the European Parliament elections in May 2019 – confirm the strength of the project of European integration, Brexit continues to represent an element of volatility for businesses and citizens, and a major challenge for governments and European institutions.

In this context, the Brexit Institute at DCU constitutes an indispensable resource for understanding the deep trends in one of the most complicated processes in recent history. In fact, thanks to its professional expertise and authoritative independence, the Brexit Institute has emerged as a trusted forum to analyze Brexit from both a research and a policy perspective.

In particular, during the past twelve months, the Brexit Institute has exponentially grown – and in its second year of existence the Brexit Institute has fulfilled its founding mission through an ever richer and more diverse set of activities, engagements and publications. The "Facts & Figures" reported in the next pages are a testament to this upward trend, and I would like to add few thoughts on them.

First and foremost, let me start by mentioning – and thanking! – our growing number of sponsors: in the last year the Brexit Institute has engaged in a successful fund-raising campaign and expanded its network of institutional sponsors, with AIB, Grant Thornton and Dublin Airport Central joining Arthur Cox as full sponsors of the project for a number of years to come.

Second, in 2018-2019, the Brexit Institute has consolidated its role as a leading talking-shop for the discussion on Brexit and the future of Europe, maintaining the steady pace of the prior year in the organization of events, both in Dublin and overseas – with over a dozen events in twelve months: an impressive record of 1 event per month.

Moreover, while the Brexit Institute this year has experimented with new and diverse types of formats – including workshops, round-tables, book conferences, breakfast briefings and high-level dialogues – it has always succeeded in attracting a continuous stream of top-level keynote speakers. In fact, as we proudly list in a roll of honour at page

42, the Brexit Institute has hosted an impressive list of over 40 keynote speakers, including current and former Presidents, Prime Ministers, Deputy Prime Ministers, Ministers of European Affairs or equivalent, members of the European Parliament and national parliaments, as well as central bankers.

At the same time, the Brexit Institute this year has continued the practice of engaging with selected partners in the organization of specific events, and we were pleased to collaborate with the German Marshall Fund, the European Center for Development Policy Management, the Center for Constitutional Change, and the DCU Law Research Center in jointly hosting events in Dublin.

Moreover, the Brexit Institute has consolidated its fruitful cooperation with the European Parliament information office and the European Commission representation in Ireland – as well as with the Irish Department of Foreign Affairs and Trade, which this academic year hosted Brexit Institute events at the Irish Embassies in Berlin and Paris.

These high-level institutional engagements – which contributed to raising awareness of the specific challenges that Brexit poses for Ireland – have confirmed the status of the Brexit Institute as one of the most authoritative voices in the debate on Brexit and the future of Europe and contributed to increasing our international visibility.

In fact, a third remarkable development in the Brexit Institute life in the past twelve months has been its media impact, which has also boomed – with regular appearances by Brexit Institute staff on the TV, radio and newspapers of Ireland, the UK, Europe and many countries around the world, from Brazil to Russia, Australia and Canada.

Nevertheless, none of the above would have been possible – or sustainable – if it weren't for the solid scholarly foundations of the Brexit Institute, and this is where I am pleased to report the fourth, and arguably greatest, increase in the Brexit Institute output in the past year.

Since last summer, the Brexit Institute has more than doubled the amount of blogs and commentaries published on its website, with circa 120 entries in 360 days. Moreover, the Institute has increased the number of working papers it produced, which now amount to over 1 per month. And the production of scholarly books has also grown threefold, with a Book Series of which I am the general editor in process at Oxford University Press.

This performance – which is facilitated by a group of dynamic and international full-time researchers and staff, surrounded by a large network of affiliated colleagues from various Schools and Faculties at DCU – has propelled the Brexit Institute to the center of the research and policy debate, as reflected also in the request I received anew this year from the European Parliament Constitutional Affairs Committee to write an in depth study on the future of the Eurozone.

Therefore, with the Brexit process still mired in uncertainties, and as the Brexit Institute moves from its second to its third year of existence, we remain committed to being the indispensable hub for the analysis of Brexit, and its related economic, political and social challenges for governments, business, academia and civil society at large.

In this light, in the forthcoming year, the Brexit Institute at DCU remains eager to engage with new partners, to explore new policy areas (with events for instance in the field of data protection and security) and to produce ever more deliverables on Brexit, Ireland and the future of Europe. So, if Brexit is uncertain – the Brexit Institute remains a certainty, and you can count of our professional expertise to make sense of what will happen in the complicated months that lie ahead of us!

Federico Fabbrini,
Director, DCU Brexit Institute

DCU Brexit Institute Facts and Figures

People 46

6 Staff (rotating)

33 Affiliated Staff

School of Law and Government, School of Business, School of Communication, School of History, School of Nursing & Human Sciences

3 Interns (rotating)

4 Visiting Fellows (rotating)

Publications 2018/2019 137

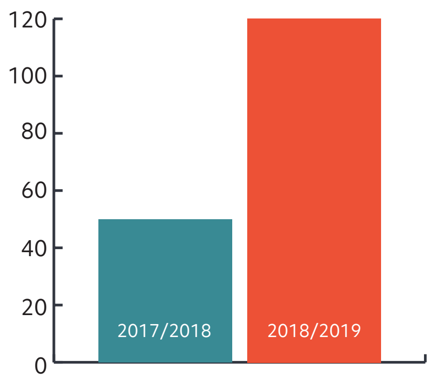
120 Blog Articles

2 Books

14 Working Papers

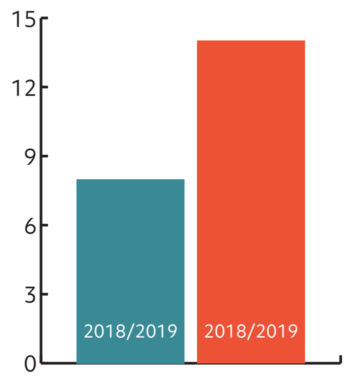
1 European Parliament Report

Blog Articles



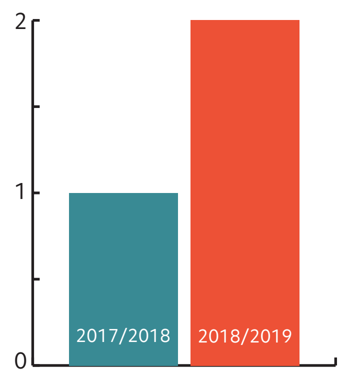
140 % increase

Working Papers



75 % increase

Books



200 % increase

Events 2018/2019 13

Economic Sectors Covered 8

Brexit and Agri-Food

Brexit and Aviation

Brexit and Financial Services

Brexit and International Development Cooperation

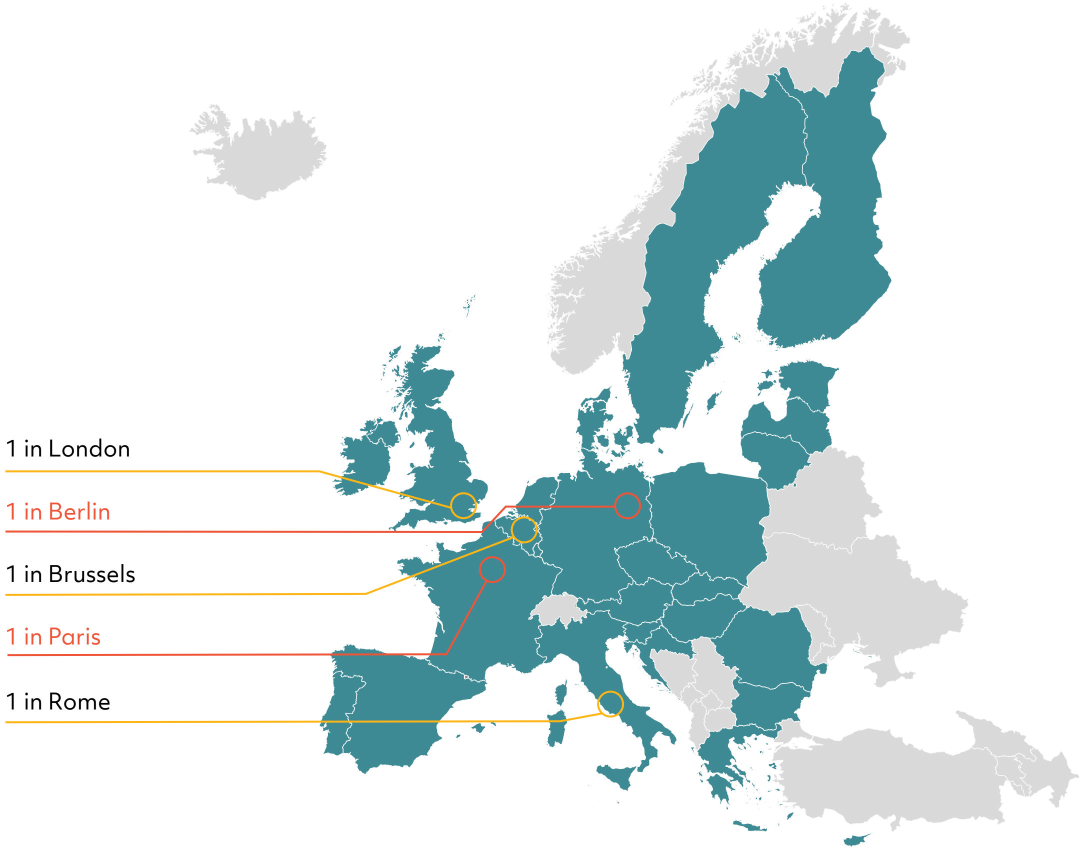
Brexit and SMEs

Brexit, Customs and Trade

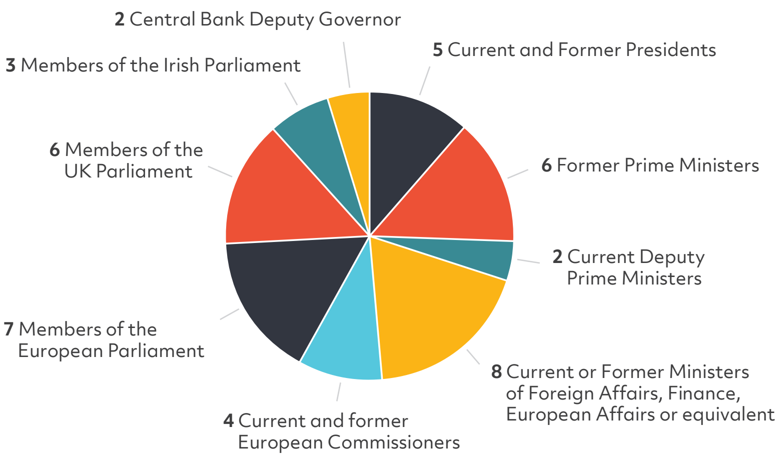
Brexit, Medicine and Public Health

Brexit, Climate and Energy Policy

International Engagements



Keynote Speakers 45



Nationalities of Keynote Speakers and Panelists

64	Irish
31	British
42	European
3	North American

List of keynote speakers hosted by DCU Brexit Institute

Ahern, Bertie (former Taoiseach of Ireland)

Almunia, Joaquin (former European Commissioner for Economic & Financial Affairs and Vice President for Competition Policy)

Amato, Giuliano (Former Prime Minister of Italy; former Vice President of European Convention; Justice of the Constitutional Court of Italy)

Andor, László (former European Commissioner for Employment, Social Affairs and Inclusion)

Andrews, Barry (Candidate for the 2019 European Parliament elections)

Armstrong, Hilary, Baroness of Hill Top (Member of the UK House of Lords, European Union Committee)

Benn, Hilary (Chairman of the UK House of Commons Committee on Exiting the EU)

Bruton, John (Former Taoiseach of Ireland)

Burke, Laura (Director General of the Environmental Protection Agency of Ireland)

Calmy-Rey, Micheline (Former President of Switzerland)

Campbell Bannerman, David (Member of the European Parliament)

Cannon, Ciaran (Minister of State for International Development of Ireland)

Coveney, Simon (Tánaiste [Deputy Prime Minister] and Minister for Foreign Affairs and Trade of Ireland, with Special Responsibility for Brexit)

Cox, Pat (Former President of the European Parliament)

Durkan, Bernard (Member of Dáil Éireann)

Falkner, Kishwer, Baroness of Margravine (Chairwoman of the UK House of Lords, EU Financial Affairs Sub-Committee)

Fitzgerald, Frances (Candidate for the 2019 European Parliament elections)

Gethins, Stephen (Member of UK House of Commons)

Goulard, Sylvie (Deputy Governor Bank of France)

Gozi, Sandro (Minister of State for EU Affairs of Italy)

Hampl, Vaclav (Member of the Senat of the Czech Republic)

Hayes, Brian (Member of European Parliament)

Higgins, Michael D (President of Ireland)

Hogan, Phil (European Commissioner for Agriculture & Rural Development)

Hubner, Danuta (Chairwoman of the European Parliament Constitutional Affairs Committee)

Katrougalos, Georgios (Minister of European Affairs of Greece)

King, Julia, Baroness Brown of Cambridge (Deputy Chair of UK Committee on Climate Change)

Kiesewetter, Roderich (Member of the Bundestag of Germany)

Lamy, Pascal (former Director general of the WTO, former European Commissioner for Trade)

Letta, Enrico (Former Prime Minister of Italy)

Lidington, David (Minister for the Cabinet Office [de facto Deputy Prime Minister] of the UK)

Marshall, Iain (Member of the Seanad of Ireland)

McAleese, Mary (former President of Ireland)

McAvan, Linda (Chairwoman of the European Parliament Development Cooperation Committee)

McEntee, Helen (Minister of State for EU Affairs of Ireland)

McGuinness, Mairead (Vice President of the European Parliament)

McShane, Denis (Former Europe Minister of the UK)

Mulder, Anne (Member of the Tweede Kamer of the Netherlands)

Papacostantinou, Georgios (Former Finance Minister of Greece)

Peterle, Alojz (Former Prime Minister of Slovenia, Member of the European Parliament)

Rangel, Paulo (Member of the European Parliament)

Richmond, Neale (Chairman of the Irish Seanad Brexit Committee)

Russell, Michael (Scottish Minister for UK Negotiations on Scotland's Place in Europe).

Schuessel, Wolfgang (former Chancellor of Austria)

Sibley, Ed (Deputy Governor Central Bank of Ireland)

Smith, Alyn (Member of the European Parliament)

Speich, Mark (Minister of European Affairs of Land North Rhein Westphalia, Germany)

Starmer, Keir (Shadow Secretary of State for Exiting the EU of the UK)

Suttie, Alison, Baroness (Member of the UK House of Lords, European Union Committee)

Van Rompuy, Herman (former President of European Council)

White, Alex (Candidate for the 2019 European Parliament elections)

Media

Weekly appearances on print/online/radio/TV

BBC · RTÉ · Irish Independent · Rai · The Irish Times · Los Angeles Times · RSI Radiotelevisione Svizzera · The Guardian · Sky News · The Telegraph · Corriere della Sera · Politico · Independent · Irish Mirror · Belfast Telegraph · Irish Daily Mail · Sputnik · The Times · CBC · DW Deutsche Welle

For instance, taking just the month of January 2019 as an example, the Brexit Institute had the following performance based on statistics provided by DCU Communications & Marketing.

17
Pieces of media coverage

1,070,587
Estimated readers

€117,179
PR Value

Social Media

Twitter

Average Twitter readership/views per month

2017-2018	29,108
2018-2019	30,211

Facebook

People reached/posted views in 2017-2019

18,231

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