



CNI

PRESS WATCH - Why the burning question is not whether a united Ireland is desirable, but if it is affordable

We should all concentrate on making Northern Ireland a warm house for everyone because we're going to be sharing it for a long time to come, writes Graham Gudgin

To say that Sinn Fein's Assembly election **success** rocked the boat for unionists would be the understatement of the year, but I had not realised how far this had gone until I read Alex Kane's recent piece in the Irish Times.

Alex is a staunch unionist, and always thoughtful, but like many unionists his confidence in Northern Ireland's continued place in the **UK** has been shaken.

He wrote that unionist remainers "may conclude that a bigger, broader union embracing Ireland and the EU is preferable to a smaller, narrower union of the UK out on its own". To which the only sensible response is that they will conclude no such thing.

People across the UK, including Northern Ireland, voted Remain for a range of reasons. But high on the list was a confident belief, supported by the UK Treasury, the OECD, IMF, and many other organisations, that Brexit would leave them poorer.

Research with colleagues at Cambridge University and Ulster University suggests that this belief is considerably exaggerated, but even if it was not, what are the implications for Irish unity?

While the economic impact of Brexit is uncertain, the impact of leaving the UK's economic union is absolutely clear. The impact will be many times more disastrous than could ever be true of leaving the EU. Anyone who wishes to avoid large financial losses will clearly prefer to remain within the UK.

The annual financial contribution from Great Britain to Northern Ireland is close to ten thousand million pounds. This is one hundred

times larger than the net contribution to Northern Ireland from the EU, which in any case is merely recycled cash from UK taxpayers.

The contribution from GB finances half of public spending in Northern Ireland. This is half of spending on the NHS, half of spending on schools, colleges and universities, half of social security spending and half of everything else.

It is worth around £20,000 a year to a couple with two children.

If Northern Ireland were to leave the UK to fend for itself then either the public sector would shrink by half or taxes would have to double. A shrunken public sector would mean closing half of the hospitals and doubling GPs' patient lists, closing half of the schools and doubling class sizes in the rest, and closing one of the two universities.

This list goes on and on. Alternatively, taxes could double. The basic rate of income tax could rise to 40% and the higher rate to 80%. Other taxes could take part of the strain but with equally dramatic effect.

Who in these circumstances could imagine any unionist voters in Northern Ireland preferring Irish unity in order to remain in the EU after 2019.

Of course, if the Republic of Ireland were to take over the UK's financial support for Northern Ireland things would not be so bad, but in practice the Republic is much too small to shoulder this burden.

To maintain public services at their current levels within a united Ireland would require all-Ireland income taxes to increase by 55%, or other taxes to rise by an equivalent **amount**.

Some savings might be available, for instance on defence since the Republic is not in NATO and does not pay its way on **European** defence, but this would not make much difference.

RTE polls show that there is no majority for Irish unity in the South if any mention is made of additional tax. Unity is as impossible in the South as it is in the North. Even if the UK Government offered a transitional payment to ease the movement towards a united Ireland this situation would not change.

The huge permanent cost of Northern Ireland can only be borne by a large State like the UK. Some might argue that the EU could step in and provide the necessary cash, but this is again pie in the sky. Facing a loss of £10bn in UK net contributions from Brexit, the EU is hardly likely

to offer to increase its spending by a further £10bn on NI.

Together with the Brexit losses this would create a 15% hole in the budget of the European Commission. Northern Ireland's annual budget deficit is proportionately three times larger than Greece at its worst, again hardly an attractive proposition for the EU.

In practice, Brexit is likely to have much less impact than feared by Remainers. Much of the downside of Brexit would be avoided by a free agreement between the UK and EU, which is in everyone's interest and therefore likely to happen sooner or later.

If the EU can agree free trade with Canada or South Korea, can anyone really imagine that it will not do so with the UK, its largest trade partner? Free trade will also greatly simplify the border problem.

There is no real reason to prevent the free movement of people, and free trade will minimise Customs checks on commercial goods.

The swathe of commentary about a post-Brexit move to Irish unity is merely hot air and serves no constructive purpose.

At some point continued pressure for a united Ireland becomes a form of political harassment.

Tony Blair said in the Balmoral Hall in the run-up to the Good Friday Agreement that Northern Ireland would remain in the UK for the lifetime of anyone in the hall (his audience included children).

This is as true today as it was then.

Instead of daydreams and nightmares about a united Ireland, we all need to focus on how to make Northern Ireland a warm **house** for everyone, facing up to the reality that we will be sharing the same house for the rest of our lives.

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