

DÁIL ÉIREANN

AN COMHCHOISTE UM GHNÓTHAÍ AN AONTAIS EORPAIGH

JOINT COMMITTEE ON EUROPEAN UNION AFFAIRS

Dé Céadaoin, 21 Meitheamh 2017

Wednesday, 21 June 2017

The Joint Committee met at 2 p.m.

MEMBERS PRESENT:

Deputy Colm Brophy,	Senator Paul Coghlan,
Deputy Seán Crowe,	Senator Terry Leyden,
Deputy Bernard J. Durkan,	Senator Neale Richmond.
Deputy Seán Haughey,	
Deputy Frank O'Rourke,	

DEPUTY MICHAEL HEALY-RAE IN THE CHAIR.

White Paper on the Future of Europe: Discussion

Chairman: Apologies have been received from Senator Craughwell who is representing the committee at the migration conference in Brussels today. Deputy Haughey will be needed in the Chamber for the next couple of hours so we understand that he must be excused. I remind members to ensure that their mobile phones are switched off. This is important as they cause serious problems for broadcasting, editorial and sound staff. Today, we have an engagement with Mr. Gerry Kiely, Head of the European Commission's Representation in Ireland about the White Paper on the Future of Europe. On behalf of the committee, I welcome Mr. Kiely and Mr. Andy Klom to today's meeting. The White Paper presented by the European Commission on 1 March sets out the possible paths for the future of Europe. Europe faces many great challenges from globalisation, the impact of new technologies on society and jobs, security concerns and the rise of populism. Of course, Ireland faces the challenge of the impact of Brexit and an EU without the UK. The debate and engagement across the EU on what Union we all want in the future is very important. This committee intends to engage with this subject in depth and hold a series of meetings after the summer to engage with citizens and organisations about what Ireland and Irish citizens would like to see. It is very useful for us to look at the white paper and consider it in detail as a starting point.

I draw the attention of witnesses to the fact that by virtue of section 17(2)(l) of the Defamation Act 2009, witnesses are protected by absolute privilege in respect of their evidence to the committee. However, if they are directed by the committee to cease giving evidence on a particular matter and they continue to do so, they are entitled thereafter only to a qualified privilege in respect of their evidence. They are directed that only evidence connected with the subject matter of these proceedings is to be given and they are asked to respect the parliamentary practice to the effect that, where possible, they should not criticise or make charges against any person, persons or entity by name or in such a way as to make him, her or it identifiable.

Members are reminded of the long-standing parliamentary practice to the effect that they should not comment on, criticise or make charges against a person outside the House or an official either by name or in such a way as to make him or her identifiable. I invite Mr. Kiely to make his opening statement following which we will hear questions from members. I thank him for taking time out from his busy schedule to be here.

Mr. Gerry Kiely: I am very happy to be here today to speak about the European Commission's recently published White Paper on the Future of Europe. I want to cover the White Paper from the following perspectives - why now, what is in it and what comes next?

We are facing a new political reality across the European Union. As members know, on Monday of this week, Brexit negotiations between the EU and the UK formally began in Brussels. This is a key challenge for our continent as a whole. Brexit poses a high degree of risk for Ireland politically and economically. Elections in the Netherlands and France in recent months have seen the democratic majority decisively reject the far right offerings in favour of more centrist alternatives. However, despite these democratic triumphs, it is imperative that we respond to and engage with the significant minorities across the European Union which feel disenfranchised and alienated by the political system. There are a number of other elections due to take place across the EU in the months ahead - in Germany and Austria, for example - and similar challenges will have to be faced in each case, although all the evidence to date is that the far right challenge in these countries is waning. However, with 27 member states, we will always have an election in some country in the near future so there is always the risk. Even if

the much-heralded great upsets that were predicted by the media did not materialise, it is important to deal with the factors that facilitated the rise in nationalistic, Eurosceptic, xenophobic and racist support

As members know, this year marks the 60th anniversary of the signature of the Treaties of Rome, which are the main building blocks of the European Union we know today. To mark this, on 1 March, President Jean-Claude Juncker first presented the European Commission's White Paper on the future of Europe to MEPs at the European Parliament in Strasbourg. Making the announcement, the President said that it was "time for a united Europe of 27 to shape a vision for its future". That day, President Juncker encouraged all of us not only to look at what has been achieved in the 60 years since six European countries set up the European Communities but also to look at the reality of today's world and to think about how we want to move forward together. It is not prompted by or a reaction to Brexit, as many have suggested. It was under consideration and in preparation long before the UK referendum.

In recent years the global environment has seen some dramatic shifts. The EU's economy accounted for 26% of the world's GDP. By 2030, it is forecasted to account for less than 20%. On the other hand, China's share of the world's GDP tripled between 2004 and 2015. While the euro is a currency with global weight, other players are increasing in strength. Europe will be the "oldest" - if I may use that word - region in the world by 2030 with an average age of 45, which will, of course, have an impact on social welfare systems, health systems, the labour force, etc. In 1900, Europe accounted for 25% of the global population. By 2060, it will account for 4%.

In respect of global stability, the EU continues to have considerable soft power but this is not enough as we are confronted by an increasingly uncertain and aggressive world. The US spends €500 billion on defence, a figure that is set to double by 2045, while the combined spend by the EU member states comes to €200 billion. This is compounded by the reality that the efficiency of EU spending is only 12% to 15% of that of US. China's expenditure on defence is expected to increase more than fivefold by 2045. Global stability is also a function of development aid where the EU is already the largest donor in the world. It is also a function of the fight against climate change so it is not just about defence. However, defence is important.

Post-Brexit, it is clear that the EU must remain a source of resilience, stability and forward momentum for its 460 million citizens. The world around us is changing at speed, from globalisation to the rise of populism, racism and xenophobia, as I mentioned earlier, to the impact of new technologies on society and jobs to security concerns. While the increasingly digital nature of our society, for example, is having a positive impact, new technologies and digitisation also represent a challenge as traditional jobs are replaced. Robots have arrived in the workplace and they are now common there. Artificial intelligence is developing rapidly. We have to ensure that technological developments benefit society at large and not just the few.

The recent successive security threats throughout the EU have focused attention on borders and on the need for anti-terrorism co-operation. They have also focused attention on the flows of refugees crossing the EU's borders. The EU must continue to work collectively to reduce the negative threats we face while upholding our shared principles and values. Climate change represents another serious risk to our habitats and societies; ultimately, to the future survival of the planet; and in the immediate term, as a driver of migration. The EU will continue to be the driving force behind global action to deal with climate change - even more so now in view of President Trump's position regarding the Paris Agreement. The challenges we face are many and it is clear that the EU cannot now afford a period of paralysis as it adapts to these new reali-

ties. We have two options. Either we let ourselves be swept along by global trends, or we look at them through the prism of opportunity and set about embracing and shaping them.

Last month, the Juncker Commission reached the mid-way point in its five-year mandate. Some 70% of the initiatives President Juncker pledged before taking office have already been launched, including in the areas of an energy union, a security union, the digital Single Market, the capital markets union, and of course additional initiatives under the umbrella of the economic and monetary union. This Commission's clear objective from the outset was to improve the lives of EU citizens and to boost jobs and economic growth. So far, the Commission has committed €138 billion in new investment supporting more than 130,000 new jobs under the Juncker investment plan, formally the European Fund for Strategic Investments, EFSI. This is in addition to all the other job creating funds such as structural funds, the CAP, research expenditure, etc. Over 9 million young people are now in work, education or training because of the youth guarantee. Economic reform and recovery has been prioritised. The eurozone has now experienced 15 successive quarters of economic growth and the level of employment is higher than it was before the economic crisis, which one might find hard to believe considering the commentary on the poor state of the eurozone and EU economy. Some 15 successive quarters of growth is not to be sneezed at. The Paris climate agreement has been negotiated, signed and ratified, aiming to reduce greenhouse gas emissions by 40% by 2020. A European border and coast guard has been established and mobilised. More than €15 billion has been made available to deal with the refugee crisis, to tackle root causes, save lives, manage our borders and provide humanitarian support. The EU-Canada comprehensive economic and trade agreement, CETA, has been agreed. These are only examples of major decisions that have been brought forward by the Commission on top of all its regular, routine work.

There is also the question of trust and legitimacy. For too long, there has been a gap between what people expect of the EU and what the EU is able to deliver. This vacuum is oxygen to populists and those bent on discrediting the EU and member state governments. From the beginning of its mandate, this Commission pledged to focus on where it can deliver the most tangible results and to act only where effective EU action will make a concrete difference. We also need to ensure that all member states make good on their commitments, in a nutshell that they do what they signed up to do. That does not always happen. British citizens are about to pay a high price for the policy of blaming Brussels and disowning commonly agreed decisions. We need to make sure that we all take responsibility for our decisions, own them and communicate the reasons behind them. Only then will trust in the EU and in member state governments improve again. Brexit is not happening because there was a great campaign to get out but because 30 years of eurosceptical misinformation went unchallenged by the pro-EU camp in the UK. Other countries should learn from this experience.

Traditionally, attitudes towards the EU have been positive in Ireland. The most recent Eurobarometer poll revealed that 77% of people in Ireland were optimistic about the future of the EU, the highest percentage across the EU. What is more, Irish respondents, at 55%, were the most likely to have a positive image of the EU. This view is reinforced by the Europe Day poll published in Ireland on 9 May, which showed that 88% of all adults asked agreed that Ireland should remain a part of the EU; 87% agreed that Ireland has benefitted from the EU; and the percentage of those who believed Ireland should leave the EU continues to decrease year on year and now stands at 16%. This positive reaction should, however, never be taken for granted. The EU must be constantly defended.

In respect of the White Paper, the issue is how do we put our best foot forward as an EU of

27 member states. The European Commission's White Paper on the future of the EU sets out five possible futures for the EU. In essence, it asks what kind of EU we want to have in 2025 and beyond. These scenarios are not intended to be a prescriptive or an exhaustive list. They outline a series of different paths the EU could follow, but are solely intended to get the debate out of the starting blocks. In reality, the final scenario might not be among the five proposed here.

Scenario 1 is that the EU carries on as it is doing and focuses on delivering its existing agenda of positive reform. It is essentially business as usual. Given the problems we have had, business as usual might be the best route. Scenario 2 is that the EU returns to what may be called "the Single Market and nothing but the Single Market" as its focus. I do not think there would be a majority in favour of having the EU purely as a trading bloc, although it certainly would have been the British preference, were they staying in. Most countries see the EU as being much more than that.

Scenario 3 is that those who want to do more in certain areas move forward together, for example in defence and so on. There has been some commentary and some concern expressed in Ireland and elsewhere about some countries moving forward and leaving the others behind. In reality, this is enhanced co-operation, which we have today. Ireland is not in Schengen. A number of EU countries are not in the eurozone. It is not much different from what we have today. However, it is not something the European Commission would favour. We would much prefer that everyone moves in the same direction at the same pace.

Scenario 4 is that the EU focuses on a smaller number of policy areas and acts more efficiently in these areas, in other words, the EU's resources are focused on a smaller number of areas. The difficulty would be getting agreement among 28 member states as to what should be the key areas and where funding should be dropped. It is not without its difficulties. Scenario 5 is doing much more together, sharing more decision-making and resources across a wider range of areas. Most pro-Europeans would favour this option. However, although this is only my personal feeling, I would imagine that if it is too difficult to get agreement among 28 to move forward at the same pace, it is inevitable that many countries are not going to wait around for the slowest wagon in the convoy. It will end up going back to scenario 3 whereby a number of countries move forward and the others join later.

It is now up to all of us to make the choices which will determine what the EU looks like in 2025. Some commentators and politicians have already been vocal on what scenario they would choose. Interestingly, at a recent dialogue with Commissioner Andriukaitis in Dublin, 63% of participants voted in favour of scenario 5, doing more together or greater integration. This is only the beginning of the process, however. It is clear from successive polls in recent months that Irish people, in general, want to remain in the EU. The question is what kind of EU do Irish people want to remain in for the future.

In terms of the next steps, having published the White Paper to kick off the discussion, the Commission is now in listening mode. In addition to the White Paper itself, the Commission committed on 1 March to publish five reflection papers to look in more detail at the future of the EU's work in five key policy areas, namely, strengthening the social dimension of Europe, published on 26 April; harnessing globalisation, published on 10 May; deepening the economic and monetary union, published on 31 May; the future of Europe's defence, published on 7 June; and the future of European Union finances, to be published soon, possibly on 28 June. These papers are intended as contributions to the debate. In President Juncker's September 2017 state of the European Union speech, he will elaborate on these ideas, but it will only be in December

2017, at the European Council meeting of the EU's heads of state and government, that the first conclusions will hopefully be drawn. The idea is that these first conclusions will form part of the debate leading up to the next European Parliament elections in 2019 and the formation of the next European Commission.

Regarding discussion of the White Paper in Ireland, the European Commission's representation here will ensure a wide range of opportunities to engage with this debate between now and the summer of 2019. As things stand, a number of visiting European Commissioners have committed to engaging with Irish people across the country on these issues in what we call citizens' dialogues. During the past month alone, Commissioners Andriukaitis and Hogan addressed separate events in Dublin and Kilkenny and we are working on events in Donegal next month with first Vice-President Timmermans and Commissioner King in the context of the McGill summer school. We will of course continue to engage closely with the joint Oireachtas committee and the Government during this process.

However, I see our role as being complementary to the efforts made by others and not the other way around. The primary responsibility for consultation must rest with the elected representatives in Ireland whether they are at local, regional, national or EU level, and also NGOs and sectoral organisations. The future shape of Europe has a big bearing on the citizens, many of whom are represented by NGOs be they sectoral, economic or non-economic. These organisations should consider the subject as well and put forward their views.

While my office is happy to represent and work closely with anybody here in Ireland, it is the Irish Government that must decide what direction the future of Europe should take. Therefore, it is elected representatives who must lead the discussion here.

I thank the Chairman, ladies and gentlemen for their attention. My colleagues and I are happy to listen to any comments.

Chairman: I thank Mr. Kiely for his presentation. Any time one hears a presentation something jumps out. In this instance it is the following sentence uttered by Mr. Kiely. He said: "British citizens are about to pay a high price for the policy of blaming Brussels and disowning commonly agreed decisions".

I call Senator Neale Richmond to commence.

Senator Neale Richmond: I welcome Mr. Kiely and Mr. Klom to the meeting. They are always welcome guests here and in many other fora.

Mr. Kiely's paper is excellent and fascinating. Much of its content points to a rosy future within Europe. I wish to refer to the key problems that face Europe that he mentioned largely on pages 5 and 6 of his presentation. These are key problems for the European Commission as much as it is for member state Governments and other European institutions. If we do not start tackling these problems then everything in this worthwhile paper will be moot, and they are real and tangible efforts that will make a huge impact on people's lives. The Chairman of this committee has mentioned the key line in Mr. Kiely's presentation, that the people of the UK are now reaping the problem of what years of Euro scepticism will lead to.

When we look to combat Euro scepticism, whether domestically or on a wider plain, it needs to be led by the core institutions of the European Unions and, in turn, the European Commission. Unfortunately, I do not think that the European Commission leads the way when it comes to selling Europe. The European Commission is excellent at engaging, educating and

providing a balanced point of view but there are legions of people who make their entire living and livelihood from attacking and blaming Europe. They blame the concept and dream to such an extent that they blame Europe if the weather is too cloudy or hot. We have not seen a spirited passionate response by Europe.

Over the past weekend I read some lovely tributes that were paid to the late Helmut Kohl after he passed away last week. He was one of the giants of European politics. He witnessed the recovery of war torn Germany and knew why Europe was so popular. That generation of people is passing on and the future of Europe is now in the hands of my generation who take everything for granted. For example, they take for granted free roaming for mobile phones that was announced last week. They take the free movement of people across Europe for granted. They take the right to work, the right to live and everything else for granted.

I am sorry for picking on the office of the European Commission but the witnesses are here to discuss the White Paper and answer our queries. The European Commission will say it has engaged and that its investment plan, or Juncker plan, will open up opportunities and lead to investment. We need to see the European Commission take the lead. The Commission must aggressively and simplistically sell Europe. It must sell the dream. Europe as we know it has lasted 60 years so it is time for Europe to be revitalised. We cannot rely on pro-European lobbies to continue that work because they are dwindling and I know because I have worked in the area. I spend my life going to pro-European meetings here. Therefore, I know that the average age of the people who attend such meetings is 70 to 80 years of age. They are Irish people who went to Brussels in the late 1970s and during the 1980s as part of a wave of stagiaires and some of them were the first to undertake the first ERASMUS classes. The next generation are taking all of these wonderful things for granted. The passion and enthusiasm we see for Europe no longer comes from Germany, Ireland and France but from countries that want to be part of Europe such as the Ukraine, Serbia and the opposition movements in Turkey. They are the people who are selling Europe. If Europe does not start to sell itself then the White Paper on the Future of Europe and 60 years of outstanding work will be for nothing.

Deputy Bernard J. Durkan: I thank our guests for attending today. The presentation on the White Paper has been interesting and timely. As Senator Richmond has said, it is time that we in Europe analysed ourselves in a critical way. We must determine whether we, as Europeans, are all travelling in the same direction. Like him I have reached the conclusion that we have not all travelled in the same direction for some years. It is interesting that there is a higher level of satisfaction with the European Union in Ireland than in most other European countries and a higher level of Irish people wish to stay in the European Union. I would have thought that whether or which would never arise. I would have thought that, in comparison with the scenario that Senator Richmond has referred to, there could be no doubt in anybody's mind as to where Europe should be and where it should be in the future.

We, as Europeans, are the victims of our own success. Together, we have managed to achieve a great deal by being single-minded, objective and following a consistent pattern over the years but now we take that for granted. I agree with the Senator that we take all of our achievements for granted. Sadly, there is a price to be paid when something is taken for granted and there is danger that complacency will set in. People will try to re-invent Europe and improve its shape. Such attempts have happened many times in the past but without success. I agree with the Senator that we have reached an important juncture. We must consolidate a peaceful Europe and one that is consistent with its objectives. We need a stable Europe. Any element that disappears from that scenario will leave Europe vulnerable.

The White Paper contains very interesting points, in particular the five scenarios. We may move towards what some people have referred to as greater integration. We are not great supporters of federalism in this country and I do not think we need to be. There is no reason to presume that the European member states cannot proceed as they did in the past provided they recognise each other's existence.

As I have criticised in the past, a chasm has allegedly grown between individual member states and the European institutions. Is it a reality or just in our minds? Have we grown apart? On the one hand, there is the Commission and, on the other hand, there are the member states and the Council. To what extent are we prepared to look at ourselves in a critical way and decide that we must think as one? Individual member states thinking as one is key. This aspect will dominate European politics for the next 50 years. Failure to do so will also dominate. If we make one wrong decision and go in the wrong direction then generations of people will pay.

I realise that the age profile of the Irish population differs from that of other European member states. We have a larger tranche of young people than most other European states with the possible exception of Romania and maybe one of the newer member states.

We must identify, isolate and deal with the contentious issues that have arisen throughout Europe over the past five years. As long as we have people in individual member states holding certain views and being critical of the European institutions, and critical of their colleagues in the Union or members of the Union, then there will be no unity of purpose. If we do not have a unity of purpose then we do not have a Europe that we expect to rely on in the future. It is the type of Europe that we will need to rely on to a greater extent in the future.

I believe that it is still within the capacity of the European member states to identify issues collectively and individually. I urge member states to put their differences to one side and avoid going in different directions. As Mr. Kiely has said, all of these directions have been tried before without success. It is like getting advice from a bad adviser. There is no sense taking advice from a bad adviser if one can say to him or her that the policy or policies have failed before or did not go anywhere.

Ireland faces a double challenge in that we also have Brexit. There has been much speculation on the dreaded challenge of Brexit and the damaging impact it could have on this country. We are looking at Brexit from the wrong vantage point. We intend to remain a member of the European Union and we need to expect the highest possible delivery from the EU. Becoming pessimistic and suggesting there are pitfalls and traps all over the place is damaging our bargaining capacity. We must expect the greatest and the best, nothing less. When we make statements that we will do the best we can or try to secure the best deal we can, what message does it send out to those with whom we are negotiating? It sends a message of doubt. As the Chairman and I know from our respective constituencies, raising a question about one's own ability to achieve the best outcome is not a good bargaining position.

There are two issues. We need to achieve the best outcome in the Brexit negotiations, namely, what we have, we hold and in respect of the review arising from the White Paper or otherwise, we need to bring the sides together in order that those at the centre of Europe who are making decisions reflect the views of people on the ground, as opposed to those of the most extreme groups.

Senator Paul Coghlan: I thank Mr. Kiely and Mr. Klom. I am sorry I missed much of the presentation. I was caught in the Seanad Chamber where I was in the Chair. Their contribu-

tion is very interesting and deals with the White Paper on the future of the European Union. As Deputy Durkan stated, much of this is about bringing people together. Some recent remarks I read are a cause for concern. Do the larger countries in the EU plan to work together to bring about tax harmonisation? I have in mind our corporation tax and so forth. If that were the case, it could be disastrous for Ireland, although we have a veto. Perhaps the witnesses will comment on what they believe is happening in this regard. Is the Department of Finance concerned that there may be moves afoot on this issue?

While Brexit is not specifically on the agenda for our discussion, I am pleased the negotiations have started well. When will we reach the point where the United Kingdom will be inclined to relent? One cannot adopt a hard and fast position in negotiations. I am concerned about the Single Market and customs union. When will the crunch stage be reached in the negotiations on Brexit?

Senator Terry Leyden: I welcome Mr. Kiely and Mr. Klom and the members of the diplomatic corps and their staff, specifically the ambassador of Georgia. While the White Paper is welcome, the outcome of the negotiations on Brexit will affect the outcome of the White Paper because much of the latter will depend on what happens on Brexit. The negotiations have started well, however.

A delegation from the joint committee met the chief negotiator for the European Union in Malta. We also met the chairperson of the European Parliament committee dealing with Brexit. We received a very good response and I noted the great awareness of Ireland's unique position. If our position is not taken into account, a deal will not be possible because we must secure an agreement that protects Irish citizens and trade.

I note the statement by the Chancellor of Exchequer that British people did not vote to reduce their income or standard of living but for another reason which will become clearer as the process develops. We should now allow the negotiators to negotiate and the new Minister for Foreign Affairs and Trade, Deputy Coveney, who has specific responsibility for Brexit, to get on with his job. I welcome the clarity provided by this new role for the Minister as it will enable him to co-ordinate Ireland's response to Brexit with the new Taoiseach.

I heard a Tory member of parliament, Mr. John Redwood, interviewed by Seán O'Rourke on Monday. I was with John Redwood when we negotiated the Single European Act and he was an enthusiastic player at that point who engaged diligently in negotiations to ensure the UK secured the best possible deal in the Act. He achieved that objective and Ireland co-operated fully in that regard.

The departure of the UK will be a major blow to the European Union, regardless of what outcome is achieved. I would prefer if Britain remained inside the EU because the UK and Ireland have been very good partners and have worked together closely in the EU. While we joined the European Union together, we will not leave together. It is fascinating to hear different points of view expressed on the EU. When British people realise what benefits they secured in the European Union since the 1970s, they will realise there is no benefit in disengaging from Europe. High food and building standards, which are highly relevant today, are the result of membership of the European Union. These standards were negotiated over a period and we embraced them. Sometimes the European Union is blamed for excessive enforcement of regulations when it is Departments that are overactive in this regard. As the Chairman will acknowledge, the regulations applied in agriculture and business are unreal. These standards may be in excellent but I noted on a visit to Brussels at the weekend that the standards we must

enforce here are not enforced there. A disabled person, for example, would have great difficulty getting to a disabled toilet in Brussels. Anyone building here must provide disabled toilets at significant cost, as they should. It is interesting to note how forceful and diligent various Departments have been in transposing into Irish law, without major amendment, European Union regulations. That said, we want to remain a member of the EU.

If and when the United Kingdom leaves the European Union, other countries, including Montenegro and Georgia, will enthusiastically apply for membership of the European Union. As a country that supported Croatia, Estonia, Romania and other countries when they applied to join the EU, we will enthusiastically support and encourage other countries to join the EU. We will co-operate in every way possible. The next few years will be fascinating.

I am grateful that the European Commission has a presence in Dublin, although I would prefer if it were closer to Leinster House. The witnesses could not do anything about that decision, however. Perhaps it will return to a location more convenient to Leinster House in the not too distant future. The European Commission office on Molesworth Street was a tremendous asset for Members of the Oireachtas to enable us to work with representatives of the Commission and Departments.

Chairman: I am deeply committed to the European model. In recent years, people have made populist statements to the effect that Europe should go to hell because it is the cause of all our troubles. This sentiment has been strengthening. Senator Leyden touched on a point regarding standards. In Spain, for example, construction workers wear sneakers and do not wear yellow high visibility vests. There is no such thing as certified scaffolding. The rules applied here are completely different from what happens in other parts of Europe and that gives the European model what we call a bad name. I will give another example. Whether it is HSE policy or the interpretation of rules and regulations from Europe, I always tell this story about a small shop that had three stools for people to sit on when they were collecting their pension on a Friday. A HSE official called in one day and said the stools had to be removed because there was no public toilet in the place. The shop could not be encouraging people to sit down if it did not have a toilet. The person who owned the building did exactly what they were told and removed the stools. The following week the elderly people were looking for the seats so they could sit on them while waiting to be picked up after collecting their pension, so the person brought out the stools. There was another unofficial visit and subsequently the person received a letter telling them that there would be one more visit and if the stools were out in the shop the person would be fined €3,000. People in business see this type of thing happening and regardless of whether the policy or direction comes from Europe it is easy to give Europe the blame.

Equally, Senator Leyden rightly made a point about agriculture and how stringent the rules are for farmers. It is not as if we all want a situation where there are no rules or regulations. Recently, there was a suggestion about splash back slurry spreaders. Everybody was encouraged to install slatted tanks. If one has a slatted tank it means one has an effluent problem and one must get it out on the land at whatever time of the year one can. Again, one is restricted in when one can put it out. All of the farmers and the contractors have the splash back slurry spreaders. There was a banner headline two weeks ago in the *Irish Farmers Journal* on the possibility that they would be made illegal. Instead, one would be required to have a dribbler system, which puts the slurry directly into the ground rather than spraying it into the air. Of course, the issue was emissions, ammonia in the air and so forth. There are several other ways in which that problem could be tackled. For example, one could put charcoal dust into the tank. That would improve the quality of the slurry, one could continue with splash back and one would not re-

quire this dribbler system, which is cost prohibitive. Much of the terrain we have would not be suitable for the dribbler system as the system cannot be worked practically on the land. Again, the blame for such situations rightly or wrongly falls back on Europe.

I believe that is what happened in the campaign for Brexit. The politicians who were selling the divorce model and campaigning for leave got the media into a frenzy of enticing and encouraging people to vote for Brexit, which is exactly what happened. I am not trying to say that the same thing could happen here in the future, but the concept of Europe getting a bad name stems from situations such as that. It has been growing over the years. Experienced politicians, such as the members here, who have been in politics for a long time have seen the growth of what you call populism in your White Paper. It has grown, but it is because of things such as that. It makes it easy for people who wish to promote the demise of the European model to sell it. It is no mystery to me. While I was dismayed and surprised with the vote for Brexit, but I was not shocked. I saw the way the politicians were running their campaign and they sold it effectively, but what they sold was a pup. We all know that.

Thank you very much, Mr. Kiely. You are welcome to make summarising remarks if you wish.

Mr. Gerry Kiely: I will be brief because everyone's comments were more or less on the same line. On the rules and regulations, certainly there is a problem on occasion with countries or officials perhaps being over-enthusiastic in the interpretation and implementation. Not long ago I attended an event at which many farmers were pulling their hair out about a particular inspector in the county. Another bunch of them were saying that another fellow was all right. There is even a problem with two inspectors under the same authority at local level, with people complaining about the application of the rule by one but not by the other. We are dealing here with all sorts of diverse situations across 28 member states. There certainly is a problem with the interpretation and implementation at local level. I have always worked in agriculture and since Commissioner Hogan took office, although his predecessors did this as well, he has been pulling back the member states and telling them to use their heads and a certain degree of logic and pragmatism in implementing the rules. There are also those who exaggerate and put the responsibility on Europe for something that is not Europe's responsibility but the member state's. You spoke about the three tools. I am sure that has nothing to do with us. I cannot say that with 100% certainty, but 99% certainty. The last big flood was two or three years ago. Some politicians here tried to put the blame on Europe's environmental law, but that was not true. It happens every day of the week across Europe.

To refer to the points made by Senator Richmond and Deputy Durkan, we and the European Commission counter it, but we do not have the resources spread across the EU or we do not have the access. We are depending on the media. If the media are negative towards the EU, as is the case across much of the media in Britain, it is a lost cause. One cannot get the response in. Also, the populist criticism of the EU is much more sexy and more likely to get coverage in the media than a dull, formal answer from the European Commission. We are a civil service and we must answer in a formal way. We cannot sex it up so it does not get covered as easily. That is the reason I said earlier, in terms of selling the White Paper, that it comes back to national level. The British are leaving because the pro-Europeans in Britain sat on their hands for 30 years. They did not put their heads above the parapet and take on the eurosceptic criticism. Their attitude was, "Why would I put my head in the firing line? It doesn't matter and we don't care". They know now that it does matter. It affects them. One cannot take it for granted that there will always be massive support for the EU in Ireland. After all, we lost two referenda. It

can happen very easily.

Senator Richmond has left. I am not saying in any way that the Commission is giving up. In fact, we are reinforcing our resources and our approach to communication all the time. However, that is in Brussels. Much more must be done at local level. I take the point that peace and so forth is not so important to young people any more. Much of the stuff that has come from the EU is taken for granted. However, the younger people are more supportive of the EU than the older people. Who voted to leave in Britain? It was the older people, not the younger people. If the younger people had voted in greater numbers, Britain would not be leaving. There is no problem with younger people in the EU, even though they take all the things in it for granted and do not realise that they come from the EU. To return to Deputy Durkan's point, we have to remind people about what is there. It is not so easy. Much of the social legislation in many of the countries would not be in place without the EU. That is also the case with much of the environmental legislation. People have to be reminded of that but it is very difficult to convey it to people. Ultimately, one can only get it across to them face-to-face. The media are not there to facilitate us getting a message out. In many cases, it is a hard slog.

In terms of Brexit, it is not in our hands. We do not know what Britain wants. It will probably want something that cannot be given or that crosses the line of the four principles. It keeps talking about the bill it faces from the EU being a punishment. It is not a punishment, it is what Britain owes. If good enough progress is made on the three main points to start out with, including the Border and so on, agreement may be possible. Also, one sees inflation feeding into the system and more and more banks talking about moving their business. Up to now, Britain has been in a nice situation. It has gotten the benefit of a devaluation of sterling and has not yet been hurt by Brexit. However, it has not yet left the European Union. It has gotten the benefit of a devaluation without the negative impact of Brexit but the devaluation is now having a negative impact as people get worried that there will be a hard Brexit and the British economy is slowing down. All of these issues are helping to concentrate people's minds in Britain. The British Government's expectations in regard to the exit deal they want will hopefully become more realistic and be something that can be met by the 27 EU member states. However, the British Government has not helped itself by its rhetoric on this issue over the past six to 12 months. Neither the European Union nor the European Commission want a hard Brexit but that will depend on what Britain is prepared to do. We will negotiate and the EU is very clear and will be very clear. The difficulty is we do not know what the British position is.

There was a mention of tax. If countries want to harmonise their tax rates, that is no problem but it is their business. Nobody can force Ireland or any other country to accept a tax regime. It is national competence. Ireland would have a veto on that. Some countries may press ahead with it but I do not know if they will. The common consolidated corporate tax base, CCTB, is on the table at the moment. Ireland has some difficulties with it, as do some other countries. I do not know where that is going to go. However, there is nothing to stop individual countries agreeing to have a common tax regime.

Chairman: I thank Mr. Kiely and Mr. Klom for their attendance. I acknowledge their willingness to work with the committee in a workmanlike fashion. It is very much appreciated. We know the witnesses are very dedicated to their jobs and very good and experienced at them. I pride myself on the fact that this committee has such political experience with long-standing Members of the Houses of the Oireachtas. We are well placed to do the job that will be before us in the coming months. I thank the witnesses once more for their attendance. We will allow a brief interval before the committee goes into private session.

JOINT COMMITTEE ON EUROPEAN UNION AFFAIRS

The joint committee went into private session at 2.55 p.m. and adjourned at 3.05 p.m. until 2 p.m. on Wednesday, 5 July 2017.