



# **Brexit -A Workers' Perspective**

**6<sup>th</sup> June 2019**

# “Doctors Differ, Patients Die.”

*“Cities such as Frankfurt – home to the EU’s insurance regulator – have already started to make their own pitch as to why they should be regarded as the ‘new London’; no doubt, London insurers will be hoping that, in Mark Twain’s immortal words, rumours of its death have been greatly exaggerated!”*

“there will be no one outright winner in the contest between Dublin, Frankfurt, Luxembourg and Paris to attract financial services”

*“Meanwhile, costs in terms of financial services, foreign direct investment and impacts on London property markets are more likely to be short-term and there are longer-term opportunities from Brexit even in these areas.”*

*“London has long been among the world’s top financial centres, but Brexit may now throw the capital’s vaunted status as a global banking mecca into question....”*

“A break-up of EU-UK negotiations, cancelling out the prospect of a trading relationship in the foreseeable future, would trigger an adverse reaction of financial markets, pushing the exchange rate to new lows and leading to sovereign rating downgrades.”

***“The Brexit vote is likely to continue to have a very significant bearing on the operations of UK insurers and, in turn, upon the Irish insurance sector as the UK is effectively entering into uncharted waters.”***

## **Copenhagen Economics Study (February 2018)**

- Irish Government commissioned Copenhagen Economics to produce a Study on the possible impact/scenarios on the country as a result of the changing trade relations in the event of Brexit.
- A soft Brexit would see total exports of goods and services 3.3% below a non-Brexit baseline by 2030.
- A hard Brexit would see total exports of goods and services 7.7% below a non-Brexit baseline by 2030.
- Brexit will have negative impacts on the Irish economy in all scenarios analysed
- Brexit will have negative impacts on Irish trade with adverse knock-on effects on Irish production and ultimately Irish GDP.

## Ireland's Dependency on UK Trade.

- UK takes 17% of total services exports and 14% of total goods exports from ROI. €37 billion in total.
- UK accounted for 8% of total services imports and 26% of total goods imports into ROI - €31 billion in total.
- More than 40% of agri-foods go to UK, including 90% of mushroom exports and 60% of cheese exports and 47% of beef exports.
- UK visitors constitute one-third of all visitors (down from nearly half in 2008; nearly half of all UK visitors visit family and friends and 1 in 20 was born in ROI)
- More than half of fuel imports come from UK.
- Irish Central Bank estimate 40,000 job losses 10 years after UK leaves.

# Financial Services-Key Player in the Irish Economy

- Sector employs around 90,000 people in Ireland (incl. around 20-25,000 employed in insurance), which is around 5 per cent of total employment.
- Financial services is a high value added sector and the sector accounts for around 8 per cent of gross value added in Ireland.
- Financial services play a bigger role in Ireland's economy than the average Eurozone country, where the sector accounts for around 4.5 per cent of gross value added.
- Considering the relative importance and size of Ireland's Financial Services Sector, we have serious concerns for the Insurance Sector's vulnerability to job losses as a result of the overall impact on all sectors.

# The Irish Border-Possible Consequences of a No-Deal Brexit?

- Recreating border infrastructure risks undermining the extensive economic integration that has developed between Ireland and Northern Ireland.
- The [British government has already announced](#), that after Brexit it will no longer treat people born in Northern Ireland who claim Irish citizenship the same as citizens of the Irish Republic when it comes to certain rights and benefits that are guaranteed to EU subjects living in the U.K.
- For the Nationalist population in Northern Ireland, this means [a key provision in the Good Friday Agreement](#) – the right to choose your identity and to carry dual passports – no longer applies.
- *The current uncertainty that Brexit is causing and the failure of the UK to agree a withdrawal agreement is having a severe effect on the Economic and Social fabric on the island of Ireland.*

# Workers Rights-The Heart of the Matter.

## Basic Principles from a Worker Perspective:

*“UNI Europa and the entire European trade union movement demand the best possible deal for workers on both sides of the Channel, notably in terms of retaining EU employment and social rights and free movement of labour. Workers and citizens – in the UK and the rest of the EU – must not pay the price for Brexit.”*

**Oliver Roethig, UNI Europa Regional Secretary,**

## Possible Consequences:

*“The ETUC is deeply concerned that if labour rights are not properly upheld after Brexit, it will not only damage workers in the UK but will have possible devastating effects on workers’ rights in EU27/EEA30.*

*If in the future EU-UK partnership this issue is not seriously addressed, it could possibly trigger a race to the bottom and social dumping and thus, damage workers’ rights across Europe.”*

ETUF *“The magnitude of the challenge requires careful anticipation: more than 700 multinational companies which have established an EWC or adopted the SE statute have operations in the UK; at least 2,400 representatives of UK workers in EWCs and SEs are wondering about their future; and the situation of the ca. 140 EWCs and SEs based on UK law remains a moot point.”*

## What is Required to Protect Workers Rights?

- The transnational solidarity, which has been fostered over the years in EWCs and SEs, must grow even stronger and we need to keep up the fight against multinationals that are using Brexit as an 'excuse' to jeopardise/diminish workers' rights and conditions.
- We must ensure that information, consultation and participation rights are not watered down. Workers' right to a strong say on envisaged company decisions and their potential social consequences is a fundamental right which must be safeguarded for workers across Europe.
- UNI Europa Finance's position remains that UK EWC members must remain full members, independently of the final agreement (or no deal) on Brexit. This means no exclusion or diminishing of their role in the EWC, for example to an observer status.
- Use the time between now and October to reiterate the demands on workers rights through any platform/forum including a demand to prevent a catastrophic "no deal" Brexit which can only worsen the situation for EWCs and SEs.



## Summary of the Workers Perspective.

- Brexit runs contrary to the “Common Good.”
- The uncertainty created as a result of Brexit only serves those who see destabilisation of the EU as a “means to an end” and is certainly not in the interests of workers in the EU/EEA.
- Whilst Irish workers could be disproportionately negatively effected, the impact threatens workers across the EU/EEA as a result of weaker workers rights, business/commercial competition downwards and the “race to the bottom” this could trigger.
- We need to fight to protect workers rights and the inclusive mechanisms (EWC’s etc) in line with the Pan-European TU Movement policies/demands.

# Priority areas for Insurance Europe

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- Insurance Europe's work on Brexit covers three main areas:
  - **Contract continuity:** As an EU member, consumers in the UK can purchase insurance policies from other EU members (and vice versa). If the UK leaves the EU without a deal, it is possible that existing policies will no-longer be deemed valid. This could cause problems for consumers, such as when making a claim. Insurance Europe has been monitoring member state actions in this area.
  - **Digital:** Post-Brexit, the transfer of personal data from the EU/EEA to the UK will no-longer be allowed. This could cause disruption to consumers as insurers may not be able to share customer information. Again, this could cause problems when making a claim. Insurance Europe has been urging both sides to take the steps necessary to ensure data transfer can continue.
  - **Travel:** If the UK leaves the EU without an agreement, travellers between the UK and the EU27 could be impacted in a number of ways...

# Implications of a no-deal Brexit for consumers

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## ■ Motor insurance

- Motorists insured in the UK driving their vehicle in the EU and motorists insured in the EU driving their vehicle in the UK may need to buy additional cover and may also need to carry a Green Card (an international certificate proving that a motorist has the necessary third-party motor insurance).

## ■ Health insurance

- EU-issued EHIC cards will not be officially recognised by the UK for EU travellers or vice-versa. As a result, travellers without adequate insurance cover could have to pay the full cost of any health services needed while travelling.

## ■ Travel insurance

- The UK will no longer be part of the EU or the EEA and EU travellers with EU or EEA region policies may no longer be covered. Travellers from the UK to the EU should still be covered by EU or EEA region policies (with the possible exception of medical expenses covered by the EHIC).