

The 'Celtic Fix': A Positive-Sum Scenario for Future-Proofing Collective Stability in North-Western Europe

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Executive Summary

- > The co-dependent nature of EU stability and the necessity for the EU to create win-win security solutions in its neighbourhood have been clearly revealed by escalating volatility to the EU's Eastern, Southern and Northern frontiers.
- > Political developments in the three polities of Europe's Celtic North-West – Northern Ireland, the Republic of Ireland and Scotland – point to the potential of fundamental relational realignments on the islands of Britain and Ireland in the medium term, which may result in geostrategic unpredictability and opportunity.
- > A policy window exists for the EU to co-create, with the three Governments of Europe's Celtic North-West and the UK Government, a co-operative framework to promote collective stability and opportunity, comprising two parts: shared EU Single Market participation for Northern Ireland, the Republic of Ireland and Scotland; and creation of a 'North-Western Celtic Council'.
- > This framework would generate significant collective political return and socio-economic benefit for modest cost and begin to reverse the mutual dislocation and debilitation of Brexit.
- > It would demonstrate pre-emptive, win-win EU policy innovation and act as an example for other tailored arrangements for collective security and cooperation, encouraging a more flexible EU approach to enlargement, neighbourhood relations and differentiated association.

Eight years ago, Federica Mogherini, the then High Representative of the Union for Foreign Affairs and Security Policy, stated: "We have learnt the lesson: my neighbour's and my partner's weaknesses are my own weaknesses. So we will invest in win-win solutions, and move beyond the illusion that international politics can be a zero-sum game" (European External Action Service 2016). Since then, the co-dependent nature of European Union (EU) stability has been starkly exposed by volatility in its Eastern and Southern neighbourhoods and, to the North, in the Arctic (Council of the European Union 2022). In North Africa, fragile or, as in the case of Libya, failed states are evident, and in the Middle East, regional war is ever more plausible, whilst, in Ukraine and the Arctic, Russia's aggressive expansionist agenda unfolds. Against this backdrop, the EU's success at building win-win solutions to engender adjacent geopolitical stability has been partial.

While the EU has focused on its Eastern, Southern and Northern frontiers, much less attention has been given to stability on its Celtic North-Western edge comprised of the polities of Northern Ireland, the Republic of Ireland, and Scotland. This policy brief addresses this situation by analysing current political constellations in Europe's Celtic North-West, including relations between the EU and the three polities of the region, as well as the United Kingdom (UK), and by offering a normative reflection on a joint future.

The policy brief initially contends that political developments relating to the future political status of these three constituent parts of the islands of Britain and Ireland represent a source of geo-strategic unpredictability, but also opportunity. It then identifies a policy window for the EU to jointly create, with the Governments in Belfast, Dublin, Edinburgh and London, a framework, predicated on the interaction of both neighbourhood and interregional dynamics, to address this potential source of uncertainty in a pre-emptive win-win manner. A third section discusses the benefits that would be generated by this framework for the

five protagonists, including catalysing post-Brexit relations between the EU and the islands of Britain and Ireland, and across the islands. Moreover, as the EU considers new flexible, differentiated architectures of integration and association (Franco-German Working Group 2023), it is proposed that this new model could be a prelude to other bespoke arrangements to future-proof collective stability around the EU.

Changing Celtic realities

The politics across Europe's Celtic North-Western edge have changed markedly in the last ten years. A decade ago, Scotland voted to stay in the UK by 55% to 45%. Today, polls indicate that half of Scots want independence (IPSOS Scottish Political Monitor 2024) and there is a pro-independence majority in the Scottish Parliament. This significant appetite for independence is in part fed by Scotland's imposed departure from the EU: 62% of Scottish voters, and almost 75% in Edinburgh, chose to stay in the EU in 2016. In Northern Ireland, the only other constituent part of the UK that voted to remain in the EU, tensions remain high as its unique EU Single Market status and predictions of Irish unification by Sinn Féin, the leading party in the Northern Irish Government, unnerve the minority Protestant population (Garcia Perez 2024). In the Republic of Ireland, a now ubiquitous debate about a border poll in the medium term has left many of its political class uneasy about the potential effects of Irish unification on its successful economy and, implicitly, on its internal and the wider island's stability (The Irish Times 2023). These new, fluid political realities, their inter-relationships and the potential for destabilising events were recently demonstrated by tensions between Ireland and Scotland over access to fishing grounds, leading to Scottish fishery protection vessels intercepting and boarding Irish trawlers.

These developments could be deemed second-order priorities in a settled geopolitical environment. However, in an EU that is struggling with major crises on three of its frontiers and the need to reinforce its collective security, the significance of Europe's Celtic North-West merits further attention – and this for several reasons. First, the area represents Europe's immediate seaboard with the Northwest Atlantic, a maritime zone that is vital for European marine resources and international trade and communications and which will increase in importance as the Northeast and Northwest Passages open to ice melt. Second, the location places it at one end of the geo-strategically significant Greenland–Iceland–United Kingdom gap through which the Russian surface and nuclear submarine fleet transit to gain access to the wider Atlantic Ocean. It is NATO's maritime frontline. Yet, there is, third, decisively more to European stability than security. The three constituent polities share common European values and sentiments, cultural affinities that shape

modern European identity, and a history of inter-migration. They also possess natural resources and human capital, which represent notable assets for European green energy, food security, biodiversity, and economic competitiveness.

To address this source of uncertainty and opportunity, the EU must pursue positive-sum geopolitical cooperation (Gstöhl 2020) with the three Governments of the Celtic North-West, one of which is an EU member, and that of the UK Government. Moreover, action needs to be taken with a degree of urgency. In late 2023, European Commission President von der Leyen observed that politicians had “goofed” Brexit by insufficiently recognising mutual underlying interests and that the next generation would “have to fix it” (Politico 2023). This somewhat languid temporal perspective is also shared in the UK, especially in England (Wolf 2023). Yet, in a Europe that is vulnerable to Russian revanchism, US disengagement and multiple neighbourhood crises, time is not a luxury. A journey out of the shared lose-lose dislocation and debilitation of Brexit needs to commence now, and it can lead through Europe's Celtic North-West.

The 'Celtic Fix': a policy window opens

These changing realities represent a policy window for the EU, as the interaction of opportunity (external events and paradigms which constitute the context for EU action) and presence (internal capacities and competencies that allow the projection of EU influence) has created an opening for EU agency (Schunz & Damro 2020). The precise form of this interaction can frame, incentivise and legitimise the mobilisation of the EU and its partners (Pollock 2022).

Where opportunity and presence meet

The changing political dynamics in Europe's Celtic North-West and Brexit's widely acknowledged lose-lose relational legacy provide the opportunity to proactively create a new framework of association and cooperation for the EU, which can bring significant benefits for all the protagonists (see next section) whilst future-proofing collective stability. Moreover, it is an opportunity to demonstrate the potential to develop other win-win arrangements of interstate and interregional cooperation in the EU's neighbourhood.

The presence of the EU in germane areas, including security, foreign affairs, trade, and transnational and interregional cooperation, means it is well placed to proactively engage with and shape this opportunity. More specifically, the EU has already demonstrated its ability to develop and contribute to initiatives that connect EU and non-EU polities and promote transnational and interregional cooperation between them, e.g., the EU Interreg NEXT cooperation programmes and the

Council of the Baltic Sea States (Szacawa 2021). Critically, the EU has already demonstrated its ability to act as a facilitator of new political frameworks in Europe's Celtic North-West, given its indispensable role in the Good Friday Agreement (BBC 2017) and its subsequent implementation, e.g., the Windsor Framework (The Economist 2023).

This combination of the current opportunity and presence has created a timeous policy window. Whilst the EU deliberates on new models of enlargement and association, such as differentiated relational circles (Franco-German Working Group 2023), and requisite internal reforms, the necessity for rapidly building resilient frameworks for collective stability on its frontiers becomes ever more pressing. Compared with its Eastern, Northern and Southern peripheries, this policy window in North-Western Europe offers significant collective political return for modest collective cost while demonstrating the advantages of more tailored and interactive EU integrationist and neighbourhood agendas.

Multi-actor agency: co-creating a Celtic framework

This policy window, in turn, creates an opening for a multi-actor agency by framing, incentivising and legitimising the mobilisation of the EU and the other four protagonists to co-create a new institutional framework to engender stability, cooperation and prosperity on Europe's Celtic North-Western edge. The framework proposed here would comprise two elements: EU Single Market participation for the three polities of Ireland, Northern Ireland and Scotland, and the establishment of a 'North-Western Celtic Council' involving these three polities, with the EU and the UK as observers.

On the first element, the precedent of a constituent part of the United Kingdom being part of the Single Market has been established with Northern Ireland's inclusion in the European internal market for goods post-Brexit. The extension of this arrangement would address Scotland's democratically and emphatically confirmed desire for close economic relations with the EU and assuage concern in Northern Ireland about it being an institutional and regulatory anomaly inside the UK. In addition, such integration would encourage greater economic and commercial synergies among the three polities.

Regarding the second element of this framework, to promote cultural, economic and social collaboration and, in turn, collective stability and development, a cooperative body involving the Governments of Northern Ireland, the Republic of Ireland and Scotland, with the EU and the UK Government as observers, should be created. This North-Western Celtic Council would facilitate collaborative approaches to common challenges and opportunities across and between the three polities, in areas such as economic development, culture and

heritage, energy, education and research, and spatial and maritime development (including fisheries and offshore energy). As demonstrated by the Nordic Council and the Council of the Baltic Sea States, polities inside and outside the EU can successfully participate in and benefit from such forums across a range of policy spheres.

The likely benefits of acting are significant for all the actors, as further discussed below, and may be of sufficient incentive to engender collaboration, urgency and boldness, so as to counter zero-sum thinking.

Why use the policy window? Win-win benefits for all

Significant benefits will flow from the extension of the Single Market to include Scotland alongside Northern Ireland and the Republic of Ireland and the creation of a North-Western Celtic Council. These benefits will be both shared by the five protagonists and specific to each. Following a discussion of the specific benefits for each actor, consideration is given to the overarching advantages.

For *the EU*, the benefits relate to ensuring stability and security on its North-Western edge by building a new model of association and cooperation which can forestall geo-strategic unpredictability in this vital geography. Moreover, these new arrangements would begin to reverse the disassembling legacy of Brexit, offering a means to bring Euro-enthusiastic Scotland, along with Northern Ireland, into a closer relationship with the EU, thereby catalysing and reframing the dialogue on deepening EU relations with the rest of the United Kingdom. For the EU, it would demonstrate a capacity and agility for win-win diplomacy, in partnership with its neighbours, reflecting Ursula von der Leyen's observation that: "The European Union is at its best when it is bold" (European Commission 2024).

This novel bespoke model, which is independent of the usual fiscal commitments and internal institutional reforms and exigencies of enlargement, can hold useful lessons for the EU's relationship with its neighbourhood and further develop multiple spheres of mutual interest around the EU. These lessons can inform the creation of a more flexible EU doctrine for developing effective win-win partnerships with neighbouring states and regions, independent of the often arduous, fraught process of accession. By uniting willing coalitions of polities (inside and outside the EU) through political forums of association, underpinned by advantageous trading arrangements and inter-regional cooperation mechanisms, such as Interreg, multilateral communities of mutual interest can be created relatively rapidly. This can be done without the significant opportunity cost, in resources and time, associated with expanding and deepening the

Union. Moreover, this pragmatic approach would minimise the risk of protracted accession negotiations and planning being derailed by unforeseen events (though, for some countries, it may represent a staging post on their journey to accession). Given that the proposed framework is contingent on the respective specificities of the involved polities and the existence of a favourable policy window, its application to other settings would require case-specific assessments and contextualisation.

For **the Republic of Ireland**, an EU member state, a means of deepening and further formalising relationships on the island of Ireland that is not premised on a divisive border poll and subsequent unification in the foreseeable future will be attractive to many of its citizens. A North-Western Celtic Council would represent a tangible step forward in deepening institutional relations without jeopardising the Republic's stability and prosperity. It would also avoid the significant fiscal implications of unification for the Irish Republic which were recently identified (Institute of International and European Affairs 2024). Moreover, the inclusion of Scotland in these proposed arrangements would enhance new avenues for collaboration, development and joint investment propositions in areas such as green energy, higher education and research, culture and tourism, and connectivity, whilst mitigating actual and potential flashpoints, such as fisheries. These new tripartite arrangements would place cross-border Irish relations in a broader framework of collaboration, creating a new mechanism for Dublin to engage with and shape developments of mutual interest across the islands of Britain and Ireland through deeper policy engagement with Belfast and Edinburgh.

For **the UK** state in particular, its new Government will need to enact a sizeable policy agenda to reverse a decade of relative economic decline and growing social and geographic inequalities. Therefore, a means to circumvent, if not counteract, a protracted and intense debate about Scotland and Northern Ireland's future in the UK, and create more amicable relations with their governments, should be seen as a very significant benefit. Furthermore, the geo-political consequences of breaking up the UK (e.g., for defence and diplomacy) will be forestalled. Additionally, the combination of Northern Ireland and Scotland in the EU's Single Market for goods will provide a stimulus for a growth axis in the UK's Northwest, thereby contributing to a rebalancing of the UK's London-centric economy. Lastly but importantly, the internal reductionist debate on Brexit will be inevitably reframed, given that two of the four constituent parts of the UK would be in the Single Market, offering an opportunity to construct a pathway to a durable win-win relationship with the EU.

For **Northern Ireland**, it will reduce a perceived sense of uncoupling from the UK, created by its anomalous position as the only part of the UK currently in the Single Market, which is felt keenly by its Protestant population. Similarly, Northern Ireland's Catholic population will welcome more formal ties with the Republic of Ireland, whilst their framing within a wider North-Western Celtic Council will mitigate the anxieties of those in Northern Ireland who fear an unbalanced future relationship with the Irish Republic caused by demographic and economic asymmetry. Such institutional innovation would be premised on a border poll relating to Irish reunification being deferred for the foreseeable future, thereby allowing time for the new tripartite arrangements and opportunities, in areas such as economic development and cultural collaboration, to embed, while consolidating the peace and stability created by the Good Friday Agreement.

For **Scotland**, this new framework will reframe the national debate on whether it should leave or remain in the UK, a debate that has effectively become an evenly balanced stalemate over the last decade, by offering an alternate option for its evolution. Moreover, it will redress the reductionist tendency of Edinburgh and London politicians and civil servants to view policy creation through an exclusive constitutional lens, thereby often delimiting creative policy-making and intergovernmental collaboration. Furthermore, given Scotland's overwhelming pro-EU sentiment, access to the Single Market will be seen as a significant prize by both pro-independence and anti-independence camps, and of sufficient value to defer this constitutional question for the foreseeable future. Moreover, deeper formal links with Northern Ireland and the Republic of Ireland, through the North-Western Celtic Council, will stimulate a reassessment of national economic assets, shared opportunities and related challenges.

The overarching win-wins created by these new arrangements are significant, including future-proofing stability for the EU and its partners on Europe's North-Western edge in a pre-emptive manner and with limited cost, demonstrating the vitality, adaptability and resilience of the liberal democratic European order and its institutions, and cutting the Gordian knot of Brexit's legacy that restricts the creation of win-win relations between the EU, the UK and across the islands of Britain and Ireland. The proposed North-Western Celtic Council would also offer a forum for a plurality of perspectives on how to advance collective ambitions and values and shared stability and well-being.

Closing remarks: enacting the 'Celtic Fix'

The political calculus across Europe's Celtic North-West has changed significantly in a decade. At this point, it represents a

source of uncertainty but also an opportunity for the EU and its partners. Currently, there exists a policy window for a positive-sum collective response to pre-emptively address this source of volatility and opportunity.

The timing for this co-creative démarche is providential. A new European Commission with a focus on stability and security will be appointed in the coming months, whilst the new Government in London has a desire to build bridges across the islands of Britain and Ireland and with the EU. Moreover, the Northern Ireland Assembly has reconvened and forthcoming elections for the Irish and Scottish Parliaments, in 2025 and 2026, respectively, will give prominence to future constitutional arrangements in Europe's Celtic North-West.

To seize this unique policy window, the proposed new institutional framework, based on shared Single Market participation for Northern Ireland, the Republic of Ireland and Scotland and the creation of a North-Western Celtic Council, represents the promise of significant collective political return, for all five polities involved, for modest political cost and dislocation. It will also demonstrate the potential for constructing frameworks of differentiated association around the EU in an effort to future-proof collective stability and unlock opportunity.

To attain these win-win outcomes, there are notable but surmountable, hurdles to be overcome. The constituent protagonists need to think and act beyond conventional wisdom, often grounded in normative zero-sum assumptions. For example, the EU needs to 'walk the talk' on flexible integration and differentiated association, the UK state is required to accept greater decentralisation to enable a new relational architecture, and nationalist movements in Northern Ireland, the Republic of Ireland and Scotland would need to stop pushing for contentious referendums for at least a decade to allow the new arrangements to take root.

Several recommendations to progress this agenda in the short term can be identified:

- Each protagonist needs to focus on their underlying interests to frame and contextualise the proposed framework and benefits for their respective audiences to advance communication, comprehension and support. Such an approach will assist in generating the political momentum to overcome statutory and institutional pushbacks and impediments.
- The Governments of Northern Ireland, the Republic of Ireland and Scotland can initially facilitate this démarche by jointly scoping the arrangements and benefits of the framework in areas such as economic development, culture, energy and spatial and maritime development, in collaboration with the EU and the UK Government: with the Irish Government leading on relations with Brussels and the Northern Irish and Scottish Governments leading on relations with London. The implications of the framework for the entirety of the islands of Britain and Ireland could be considered in the context of the British-Irish Council.
- The new European Commission should consider the proposed framework when it reviews its approach to neighbourhood policy and differentiated association alongside other proposals (e.g., Franco-German Working Group 2023) while recognising the framework's dependence on opportune policy windows.
- The new UK Government should consider the proposed framework in the context of its commitment to improve relations with the EU and across the islands of Britain and Ireland. Given the scale of dislocation caused by Brexit, this commitment should be treated as a priority.
- To provide a focus for practical collaboration, an interregional project-based cooperation programme for Northern Ireland, the Republic of Ireland and Scotland, informed by or based on the EU's Interreg NEXT Programme, should be introduced and maintained in the 2028-35 EU multi-annual financial framework.

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