

# Britain, Ireland and Schengen: Time for a smarter bargain on visas

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*Given Britain's desire to maintain its own border controls, it will not join the EU's passport-free 'Schengen' area in the foreseeable future. Ireland also has to stay out because it shares a common travel area with the UK.*

*But there is now mounting evidence that this situation hurts tourism and businesses in Britain and Ireland. Non-European travellers can move freely between Schengen countries with a single visa, and many skip the further hassle of getting visas to visit Britain or Ireland. Already the Schengen area has an agreement to facilitate Chinese group tourism, which is growing fast, and from which the UK and Ireland are excluded.*

*This problem could be overcome if Britain, Ireland and the Schengen countries would agree on 'mutual recognition' of the visas they issue, without the UK or Ireland having to scrap their border controls.*

For the present UK government, full accession to the Schengen area, a passport-free travel area covering most of Europe, is a red line that it will not cross. Ireland shares a common travel area and land border with the UK and is also bound by this decision. However, it is becoming increasingly clear that the UK, along with Ireland, is suffering serious economic and reputational costs as a result of its separate visa and border management policies.

Britain and Ireland already participate in parts of the Schengen system relating to police cooperation. This paper argues that a fuller cooperation agreement with Schengen could cut the costs of the present system for the two non-members. The idea would be for Britain and Ireland to enter into mutual recognition agreements on visa policy with Schengen countries, without suppression of their port or airport border controls.

## A case of simple economics for Britain and Ireland

For many people, the cost and hassle of obtaining visas for business purposes or to go on holiday act as a deterrent. One of the achievements of the EU internal market, with free movement of goods, services, capital and people, is that visitors from the rest of the world view the Union as a single destination. Asian, Russian and other tourists and business persons requiring a visa when coming to 'Europe' will first of all wish to get a Schengen visa. With this one document, they have access to 25 countries, representing around 86% of the EU's population and GDP, and offering an equivalent share of Europe's main tourist attractions.

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*Table 1. The UK, Ireland and Schengen area compared (2010)*

	UK & Ireland	Schengen countries	Schengen (as a multiple of UK & Ireland)
Number of Countries	2	25	12.5
Population size (millions)	65.1	416.5	6.4
GDP (€ billion)	1.85	11	5.9

How many of these visitors will also apply for a British or Irish visa? And how many of them will say: "It is enough hassle to get one visa; to get a second one at the same time for adding one-sixth more attractions is not worth the trouble. Let's skip it"?

Schengen started in 1985 with just six countries. The UK opted out of the initiative, having much less interest in scrapping border controls because of its island geography. It is above all the huge streams of autobahn traffic across continental European frontiers that are the concern of individuals and commercial truck drivers. For them, time-consuming frontier stops are something they really want to do without.

By contrast, the border controls currently in force for Eurostar train passengers, or cross-channel ferry travellers are of trivial concern. For example, the Eurostar traveller from Brussels passes British border controls at the Brussels Midi station at the same time and place as the Belgian controls and the time-consuming security checks take place. Similarly, the driver of a car taking the cross-channel ferry has to check in long in advance in any case. And with airport security checks now so onerous and time-consuming, the addition or abolition of passport controls in airports is a minor matter. If Britain and Ireland retain these passport controls at their ports and airports for security reasons, this is no big problem for the traveller. Island geography makes a real difference.

However, the requirement for overseas visitors to get a second visa is a serious disadvantage. Put yourself in the position of the visitor to Europe: planning foreign trips is a complicated affair, with applications having to be coordinated with hotel bookings and flight schedules. Many people want flexibility. But to get the visa, the passport

has to be surrendered for a sometimes uncertain number of days, and if one has to get a second visa (for the UK) after the first one (for Schengen), the hassle is multiplied. So the rationale for the would-be tourist becomes obvious: get one visa for Schengen and you get six times more value than for the UK.

The tendency for visitors to favour Schengen and skip Britain and Ireland is reflected in official policies. Consider one example that already is of increasing economic significance: in March 2004, the European Community, on behalf of the Schengen states, made a special agreement with the Chinese national tourism agency to facilitate group tourism across the Schengen area. Britain and Ireland are excluded from this.

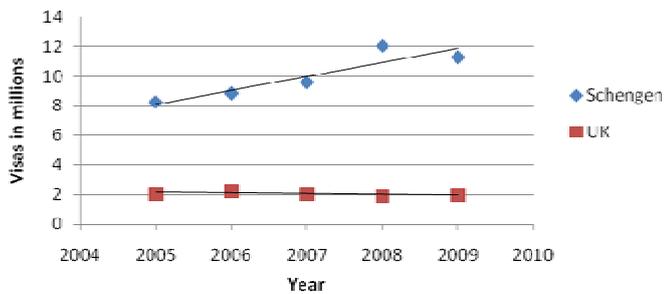
In addition, it costs a tourist more to obtain a British visa than it does to obtain a Schengen visa. The standard British short-term (3-month) visa costs £76 (€87 at the current exchange rate), whereas the standard short-term Schengen visa costs €60. In addition, Schengen-area countries have begun visa facilitation agreements with some important countries, for example reducing the cost for visas for Russia and other European neighbouring countries to €35. For longer-term visas, the price differences are even starker, with the UK charging £265 for a two-year multi-entry visa, £486 for five years and £702 for ten years. France charges €99 for long-term visas. As regards administrative procedures, the UK Border Agency (UKBA) – responsible for issuing visas to Britain – has reduced its services in small countries. Passports and visa applications have to be sent from there to consulates in larger neighbours. For example, the British consulate in Brussels no longer issues visas, so non-EU nationals in Belgium have to have their passports sent by courier to Paris and back, which increases time delays. The UKBA has also taken steps to automate visa procedures, requiring visa applicants to fill out long, complex online questionnaires before admitting potential tourists to a UK consulate for a meeting.

## Actual trends

The available data on the total number of visas issued by the UK and Schengen states seem to confirm the implications of these observations. While the number of UK visas issued has remained approximately stable at around 2

million per year over the last five years, the number of Schengen visas has risen significantly, from around 8 to 12 million per year. This discrepancy suggests that the UK is missing out on the significantly expanding global market for tourism and business travel.

*Figure 1. Schengen and UK visas issued: Data and trend (2005-09)*



## International branding of Britain

The website of the British Foreign Office gives prominence to the following extracts from speeches of William Hague, the foreign minister:

We are a world-class destination for international business, we are a global hub for creativity and innovation, a centre of the world's financial services industry and a leading champion of free trade and economic liberalism.

The aspirations contained in such language is laudable. But British visa policy as just described undermines the credibility of this image. International branding of the state is nowadays an important instrument among the many elements that make up an economy's attractiveness for trade, investment and tourism, and thus of its competitiveness. The world's media are packed with advertisements for branding the country as 'Incredible India', 'Surprising Singapore' or 'Malaysia, truly Asia'. But the key to successful branding is consistency and credibility behind the headlines. Britain's rigid position on standing aloof from the Schengen area is an inconsistency that risks undermining its global branding effort even to the point of being counter-productive.

## The Irish response

Ireland is locked into a common travel area with the UK, partly because of the undesirability of physical border checks between the Republic and

Northern Ireland. The removal of the British military from the border region after the Good Friday Agreement of 1998 has been an important feature of the peace settlement. It is of great political significance to both parties that this achievement is sustained. This is the main reason why Ireland joined with the UK in not acceding to the Schengen area. While there are no controls at this border, the UK and Ireland are not a common visa area, so that the non-EU visitor to Northern Ireland who has a UK visa is not legally entitled to extend his trip to Dublin, and vice versa. He can travel from Belfast to Dublin without hindrance, but if caught, he would have done something illegal, which most tourists do not want to do.

Ireland judged the economic costs, especially for its tourist industry, to have become so significant that it decided on 11 May 2011, unilaterally to waive the need for an Irish visa for visitors holding a UK visa. Presumably, the Irish government wanted to act decisively and fast, without getting into a bilateral negotiation with the UK, which might at best have taken time and at worst failed to reach agreement. The government in its press release announcing these measures stated: "Tourist bodies report that this duplication of administrative paperwork (of getting two visas) acts as a significant disincentive to short stay visitors and for the development and marketing of Ireland as an 'add-on' destination." This visa waiver applies to a list of countries including Russia, Ukraine, Turkey, the Gulf Arab states, India and China, all major sources of potential tourism to Europe. If just this 'UK add-on' tourist market is significant, how much more so would be that of the entire Schengen area? The simple arithmetic, following Table 1, would suggest seven times more important.

In Switzerland, the need to avoid hurting the local tourist industry with a second visa requirement for visitors on a wider European trip was one of the main arguments for joining Schengen.

## What about the differences in the UK and Schengen visa lists?

The lists of countries from which the UK and Schengen require a visa are very similar. The British visa-free list includes 26 states or

territories for which Schengen requires visas. However, almost all of the 26 are small islands or former colonies of the UK, and this is hardly a problem. The Schengen area is visa-free for a few states for which the UK requires visas, notably three Latin American countries (Bolivia, Colombia, Ecuador), and closer to home the Western Balkan states which are now visa free for Schengen but not for the UK (except Croatia).

There are two possible solutions here: either a) harmonise the lists, but this could be a time-consuming and politically difficult matter, or b) more simply, stick to the rule that each party recognises each other's visas. This would mean that nationals of the many small island territories that are visa-free for the UK would still have to get a visa to visit the Schengen area. However, their number is likely to be small. If there is no political will to move to harmonisation, then the latter seems the best solution.

The UK's refusal to extend the same visa-free advantages to the Western Balkan countries as the Schengen signatories can be criticised on grounds that the UK is taking a free ride at the expense of the rest of the EU: the UK is as keen as any member state to foster the Europeanisation of the Balkans, and visa-free travel is a major instrument to this end, but here the UK lets the rest of the EU do all the heavy lifting. Italy, Slovenia and Austria are, in any case, on the front line for unauthorised immigration and criminality from the Balkans. As a foreign and security policy matter, the UK is as ardent as any other member-state in wanting to see the final 'Europeanisation' of these post-Yugoslav states, for which freedom of movement with the EU is one of the most significant instruments of influence. But the UK is ducking a key responsibility here.

### **The UK and Ireland's partial participation in Schengen**

The UK and Ireland have since 2000 been taking part in some provisions of the Schengen system. A decision by the EU sets this out in legal detail, identifying the relevant articles in the Schengen Convention of 1985. Readers of this decision will have considerable difficulty in understanding what the dense set of numbered cross-references with the Schengen Convention actually mean. EU officials clarify that the decision admits the UK to

a set of provisions relating to cooperation over criminal matters, and includes partial access to the Schengen Information System (SIS). The SIS is a huge database of third country nationals for whom there has been some reason to record their identity, and for whom a Schengen state has issued an 'alert'. These alerts may concern either criminal matters or non-criminal matters relating to a visa application. The UK and Ireland have access to the SIS on criminal matters, but not on visa matters. They can consult these SIS entries where criminal matters are involved, but they cannot enter data on individuals from their own data bases.

This partial participation in Schengen is thus quite limited, but provides a basis upon which a fuller cooperation might be devised without necessitating full participation.

### **Security concerns**

What risks, if any, would a mutual recognition agreement between the UK and Ireland and the Schengen area pose with regard to illegal immigration, terrorism and cross-border crime? Is the Schengen visa system leaky or lax, at least at the weakest points in the system?

Illegal immigrants are not Schengen visa holders, unless they obtain one legally and then overstay the time limit. They are by definition people who enter the EU illegally, either by boat across the Mediterranean, or crossing the land border between Greece and Turkey. The UK and Ireland would retain the power to deny entry to such people (including those with invalid visas due to overstay), who might make their way through Europe to the Channel ports or try to enter by air. Airlines have in any case the duty to check on visas before admitting passengers. As regards criminals, there is already UK and Irish participation in Schengen, as just described.

We have interviewed officials from non-EU members of the Schengen area about their experience. Norway and Switzerland are two countries with the highest standards of public administration. Have they experienced problems from receiving Schengen-visa visitors who in their judgement should not have been granted visas? The answer was the same in both cases: there have been some individual cases, but it is not a major problem, or one that has become a political issue.

What about asylum-seekers who enter with a Schengen visa and then request asylum? Most asylum-seekers do not apply for visas, of course. But if a visa holder entered the UK from continental Europe and sought asylum, he would be returned to the country of first entry in the Schengen area (the standard EU procedure for the hearing of asylum claims, according to the Dublin Convention of 1990, revised in 2003).

Our reading of these factors is therefore that the security risks for the UK and Ireland inherent in entering into a visa mutual recognition agreement with Schengen are minimal.

The crises in the Arab world have led to the increasing number of boat people reaching Italy in particular. France reacted by partially reintroducing border controls and EU leaders demanded that the Commission draft new rules allowing for emergency reintroduction of border controls in the Schengen area. These steps have no direct implications on the idea of mutual recognition of visas between Britain and the Schengen area. If anything, they bring the two into more convergent positions. The UK wants to keep control of its borders, which our proposal supports. The Schengen countries may for their part agree to the definition of exceptional circumstances for border controls.

## Conclusions and recommendation

The damage being done by the UK's present visa policies to its self-branding as 'world-class destination' or 'global hub' seems substantial. Relative to Schengen, the UK seems to be losing out in the growing international tourism and travel market.

The UK and Ireland should together submit a request to make mutual recognition agreements with the Schengen members for each other's short-term visas. Mutual recognition is a well-tried mechanism in EU internal market law and policy. The UK and Ireland would retain port and airport border controls as now, just as Schengen countries would retain border controls from travellers coming from these two countries.

The differences in visa exemption lists should not impede this arrangement. Someone from a visa-exempt country of one party, wishing to travel from there to a country requiring a visa, would still have to get a visa. Differences in visa costs should be eliminated, with the UK and Ireland to align on Schengen charges for ordinary as well as 'facilitated' visas.

In May 2011, Ireland unilaterally decided to recognise UK visas out of concern for its tourism sector: this is a partial example of the far more important action that is here recommended to both the UK and Ireland in relation to Schengen. Similar action for long-term visas could also be considered, but it would not be the priority for the purpose of minimising economic losses, although the UK's fees for long-term visas are extraordinarily high.

The security risks from this move would seem to be slight, given that illegal immigrants do not enter the Schengen area with valid visas. Moreover, the UK and Ireland participate in any event, in Schengen cooperation on matters of criminality.



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