

# Beyond the hyperbole, what next for Northern Ireland?

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The ceremonial opening of the power-sharing Executive at Stormont, with Sinn Féin's Martin McGuinness sitting alongside Ian Paisley of the Democratic Unionist Party (DUP), is portrayed as a fairy tale ending to the Northern Ireland peace process. In fact, it is more akin to a business agreement between two hostile parties charged with opening up Northern Ireland PLC to global investors.

There was something grotesque about the sight of Paisley laughing and joking with the media, telling them, "I wonder why people hate me, because I'm just a nice man." And McGuinness standing alongside him, whilst outside Stormont police broke up a protest against the Iraq war. More revolting still were the efforts of Prime Minister Tony Blair to cast himself as the architect of peace, as if more than three decades of bloody conflict had nothing to do with Britain.

Talk of Northern Ireland's sectarian conflict being put to one side is true in only one respect. The Republican and Unionist divisions that have been fostered by British imperialism for centuries have played a vital role in concealing the essential class antagonisms within Northern Irish society. The alliance between the DUP and Sinn Féin will serve to expose them as parties of capital, fundamentally hostile to the social interests of the working class—Catholic and Protestant alike.

Almost a decade has passed since the signing of the Good Friday Agreement in 1998, which inaugurated the power-sharing Executive at Stormont. This was made possible by Sinn Féin's agreement to renounce its terrorist campaign and accept the legitimacy of the Northern Irish state.

At that time, the DUP assumed an anti-Agreement stance against the larger Ulster Unionist Party (UUP) of David Trimble. This was motivated by concern that the efforts of British and US imperialism and the Southern Irish government to end the enormous drain of policing the "Troubles" and to create an environment conducive to investment would threaten the Unionist Protestant-based ascendancy.

The next years were characterized by a concerted effort on the part of Britain and the US to ensure the total compliance of Sinn Féin and the Irish Republican Army (IRA) with the terms of the Agreement. These efforts focused on issues of arms decommissioning and acceptance of the reformed Police Service of Northern Ireland (PSNI). The DUP was able to take advantage of concerns within the Protestant majority to overtake the UUP, and in so doing ended up as the chief obstacle to the successful implementation of the new constitutional arrangements.

In the months leading up to Tuesday's ceremony, therefore, maximum pressure was placed by Washington and London for Paisley to fall into line. Thus, the most hard-line and initially anti-Agreement party now holds the majority in the Assembly and the post of first minister, alongside Sinn Féin as the largest Republican party.

The manipulation of sectarian tensions has not gone away. Indeed, it is built into the structures of the North's constitution, which defines parties as the representatives of two opposing "communities"

What unites Sinn Féin and the DUP is an acceptance that Northern Ireland must be transformed into a low-tax investment platform, providing access to the European market and an English-speaking workforce similar to that already established in the South. They came together under the watchful eye of Blair, Northern Ireland Secretary Peter Hain, Irish Taoiseach Bertie Ahern and a delegation of US notables led by Senator Edward Kennedy, whose interests in the proceedings resembles that of major shareholders at a board meeting.

Aside from the rhetoric about "peace" and "healing," all talk was of the changes required to Northern Ireland's economy, not least the dismantling of the public sector.

McGuinness even centred his speech on a pledge to "encourage investment and improve the province's infrastructure."

What does this mean? In an op-ed piece in the *Guardian*, Hain wrote, "When I became Secretary of State two years ago, I was astonished and dismayed to find that Northern Ireland was, and still is, heavily dependent on the public sector.

"And so while there are record levels of employment, with rising house prices an indicator of increasing prosperity, there is a need to rebalance the economy to make it sustainable in the long term. That means more inward investment, more growth for indigenous companies and greater encouragement for entrepreneurs."

He insisted that "there will have to be a lot of smart work to equip Northern Ireland to face the global challenges from eastern Europe, India and China."

Facing the "global challenges" means slashing corporation tax and with it public spending, in an effort to catch up with Dublin.

Paisley has declared his own support for a cross-Ireland rate of corporation tax, which is set at just 12.5 percent in the south. Paying for this would require massive inroads into service and welfare provisions under conditions in which the North gets 60 percent of its income from Westminster. The present gap between

public expenditure and taxes raised in the North is approximately £6 billion, or £3,000 a head.

London has already made it clear that this level of subsidy must end although, in order to smooth the transition to devolved government, it has agreed a temporary subvention to the North. In addition, although Northern Ireland is no longer considered a European region of special economic need, it is still in receipt of European Union funds worth approximately €1 billion over seven years, and over a half a billion euros designed to facilitate the peace process.

Sinn Féin and the DUP came together in order to exploit what they see as a window of opportunity, during which these funds can be used to partially offset the social consequences of economic restructuring. However, business circles are already warning that these monies must be used to encourage investment and not to fund social provision.

The *Financial Times* noted, “Northern Ireland depends too heavily on the public sector ... The government directly employs about one-third of the workforce, and accounts for almost two-thirds of economic output. The proportion of people of working age who are economically inactive is 27.7 percent—the highest percentage of the 12 UK regions, and well above the UK average of 21.4 percent.”

It continued, “Uniting to argue for more funds from central government in Whitehall must look an easier course than pushing such a diverse coalition to adopt policies to foster business and encourage entrepreneurs,” but warned, “The ministers in the newly-formed executive have little time to lose. This is a moment of goodwill, when there is the strongest chance of support across the European Union for special measures to help Northern Ireland. Over time, sentiment may become less generous while the UK taxpayer may become more grudging about the extent of public subsidy available to the province’s population. Self-government must become the spur for greater self-sufficiency, before the pictures of Mr. Paisley and Mr McGuinness working together become unexceptional rather than extraordinary.”

The social implications of such measures are dire. A report on “Poverty and Income Distribution in Northern Ireland,” published by the Economic & Social Research Council, states that “Nowhere in the UK is child poverty more entrenched, reaches deeper depths, or in many places is more concentrated.”

In addition to child poverty, which is currently approximately 37 percent in Northern Ireland, it continues that “in the poorest parts of Belfast and Derry ... some wards have 90 percent of their people surviving on benefits,” and questions the efficiency of various welfare-to-work schemes under conditions in which wages are 20 percent less than the UK average.

The report draws attention to an earlier survey published by the Belfast think-tank Democratic Dialogue, which concluded that 30 percent of Northern Ireland’s households were poor, a further 2 percent had recently risen out of poverty and a further 12 percent were vulnerable to poverty. This amounts to over half a million people, including almost 150,000 children. This is a higher level of poverty than both Britain as a whole and the Republic of Ireland.

The report also notes an aspect of the peace process that provides an insight into the real social interests represented by both Sinn

Féin and the DUP.

It states, “Compared to the Celtic Tiger to the south, economic growth has been more modest but it grew faster than any other UK region in the late 1990s. There has been a big expansion of the middle classes on both sides of the divide, but particularly within the Catholic community, fueled by higher education, that has produced many more Catholic professionals and managers. Where once protestant household income was higher than Catholic, there is now much less difference.

“Many new jobs have been created as a result of the peace agreement. Reform of the criminal justice system and the police has meant an increase in expenditure rather than a decreasing for peace—establishing an independent prosecution system, district policing partnerships, community safety partnerships, civilian crime analysts, equality officers and support staff.”

The report points out, “The life of these professionals could not contrast more starkly than the poverty uncovered” in the Democratic Dialogue’s survey.

The deliberate attempt to cultivate a petty bourgeois social base for the new constitutional setup finds its fullest expression in Sinn Féin’s transformation into the guardians, along with the DUP, of the Northern Irish state.

Nevertheless, the social strata they represent is both narrow and, given the cuts that are being demanded, unsustainable in the medium-term.

As the *World Socialist Web Site* explained at the time of the ratification of the Northern Ireland Agreement in May 1998,

“A resolution of the profound social and democratic problems facing Irish workers cannot and will not be overcome by attempts to refurbish the existing mechanisms of capitalist rule. Sweeping away the legacy of backwardness and religious antagonism requires a radical restructuring of economic and political life. The working class is the only social force capable of mobilizing all of the oppressed to carry out such a revolutionary change. The critical question is the development of a politically independent movement of the working class, and this requires a conscious break with the politics of nationalism and reformism.

“A new party of the working class must be built based on a programme that addresses the universal need of working people for decent jobs and living standards, champions the defence of democratic rights, and fights for social equality. On the basis of such a socialist programme, all sections of workers—Protestant and Catholic, Irish and British—can and must be united in a struggle against the common oppressor—capitalism.”



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