

New agreement opens assault on welfare and public sector in Northern Ireland

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Agreement has been reached between the leading parties in Northern Ireland, the Irish government and the British government on the terms of a massive assault on social welfare and public-sector workers.

The Stormont House Agreement includes a number of measures designed to better organise the manipulation of sectarian tensions. Included also are measures to continue a carefully-managed oral, legal and documentary investigation and recording of the impact of three decades of Britain's dirty war, known as "The Troubles."

The deal is the latest in a series stretching back to the Good Friday Agreement of 1998, which created the framework for incorporating nationalist Sinn Fein into British rule in Northern Ireland alongside the various pro-British unionist parties. The 1998 agreement set out to wind down much of the huge British military apparatus, slash high levels of public spending and open up Northern Ireland to global investment while maintaining sectarian division as an essential instrument of capitalist rule.

The latest pact seeks to deliver full implementation of the austerity measures demanded by the British government in the aftermath of the 2008 financial crisis. It was arrived at after 30 hours of horse-trading and months of feuding between the major parties. Failure to conclude a deal would have brought down the shared Sinn Fein, Democratic Unionist Party executive and triggered an election sought by neither party.

Agreement was reached primarily because Sinn Fein abandoned its posture of opposition to further cuts in the face of threats from Westminster to take economic management of Northern Ireland under direct control and impose fines on the executive. Terms were concluded in time to agree to a sharp escalation of

welfare and job cuts in the 2015-16 budget.

Among the provisions is Item 5, which agrees to "a comprehensive programme of Public Sector Reform and Restructuring ... [to] reduce pay bill costs." It sets out to cut the Northern Ireland Civil Service (NICS) and the "wider public sector." The process will be reviewed by the OECD in 2015.

Currently, nearly 28 percent, some 220,000 of the Northern Ireland total workforce of around 800,000 workers, are directly employed in the public sector. Of these, around 24,000 are employed by NICS. This is a substantial fall from 1992, when 37 percent were in the public sector, and 2008, when the figure stood at nearly 31 percent.

Press reports from earlier bouts of the negotiations suggested that up to 6,000 job losses, mostly from NICS, were in immediate preparation as part of an overall six percent spending cut being demanded by Westminster up to April next year. Cuts of 14 percent for all departments except health are being floated for the following year.

Item 6 and 7 agree to "welfare changes" being fully implemented by 2017. As with public-sector jobs cuts, the executive has as yet not fully imposed the demands of the Conservative/Liberal Democrat coalition in Westminster.

A measure of what is to come can be extracted from a report published in 2013 by Sheffield Hallam University's Centre for Regional Economic and Social Research. According to "The Impact of Welfare Reform on Northern Ireland," the region will be the worst affected of all UK regions, with £650 annually being lost per head of the adult population, in comparison with £550 in Wales, £500 in London, £480 in Scotland and £370 across the South East. Within the Northern Ireland figure, the amounts lost per head for

Belfast, Derry and Strabane, £900, £870 and £840 per head, are particularly high. Across the whole of the UK, only Blackpool in the North West of England has a higher loss per head.

Northern Ireland will be, proportionally, hit harder by welfare cuts, which in terms of individual rates are no different from the British mainland, because of the large numbers of working-age adults on incapacity and disability benefits. According to the report, 75 percent of the difference between the UK average and the Northern Ireland figure can be attributed to “reforms” to these benefits, which are “the main way in which the true scale of unemployment in the UK’s weaker local economies has been hidden since the 1980s.”

Derry, Belfast and Strabane have the highest rates of incapacity in the UK, with over 13 percent of the adult population dependent on these benefits. Only some areas of the former mining areas in Wales record higher figures. The report notes that high Northern Ireland figures could also relate to The Troubles and its long-term impact on the mental health of large numbers of people.

In return for carrying through the Cameron government’s assault on welfare and public services, all of which will impact cruelly on the most vulnerable, the Northern Ireland ruling elite, unionist and nationalist, will win one of their key demands—the right to set their own rate of corporation tax. This is set out in Item 8 of the agreement and will come into effect provided the required cuts are imposed by 2017. This will rapidly lead to tax cuts designed to bring the Northern Ireland rate into line with the 12.5 percent rate in the Irish republic.

To date, the British government has been reticent about handing over regional tax-varying powers, for fear of the regional tensions it would generate within the UK. In the aftermath of the Scottish independence referendum, however, caution is being thrown to the wind.

As a further sweetener, some additional one-off funding is being made available in the form of Treasury loans, while cash will be raised from the privatisation of public assets such as Belfast Harbour. The money will be used for redundancy payments. A particular target will be the duplication of schools and community facilities in Catholic and Protestant areas. Under the guise of “integration,” large numbers of duplicated

services will likely be closed down and public sector workers laid off.

Implementation of such measures in Northern Ireland, where all parties are designated according to their religious and community affiliation and where all seek to act as the most determined defender of their “own” side, will necessarily inflame sectarian tensions. For this reason, the new agreement sets out measures which seek to better the manipulation these tensions.

Following several years of loyalist riots and protests, intensified by deepening poverty, over which flag should fly over public buildings, the agreement allows for a commission on “flags, identity, culture and tradition,” largely appointed by the devolved assembly at Stormont, to report within 18 months. The commission will be guided by the principle of “parity of esteem.” Similarly, the agreement proposes a range of options to bring the current work of the Parades Commission directly under the control of the Northern Ireland Assembly. Every year, a number of provocative Orange parades are met with nationalist counter-parades and protests.

The agreement authorises further limited investigation of thousands of unsolved murders through a Historical Investigations Unit. The British government makes clear in the document that it will continue to obstruct any identification, let alone prosecution, of its own operatives under the guise of “the Government’s duty to keep people safe and secure.”



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