

# **Brave New North: Neoliberalism in the Six Counties**

Liam O'Rourke

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Guest writer Liam O'Rourke casts his eye over the neo-liberal project of regeneration in the six counties. He notes that the elite sections of both communities have no problem uniting around what he describes as the "shared non-sectarian identity of the consumer" which reduces shared space to "commercial shared space". Yet the fact that working class people have seen little of the promised "peace dividend" has not led to heightened class consciousness so much as it has to increased sectarian division.

Today, the core assumption of the dominant classes in regards to the six counties of 'Northern Ireland' is that economic liberalism goes hand in hand with sustainable peace – in other words, neoliberal social and economic policies plus peace process equals prosperity.

With its 'propaganda of peace', the media is giving the public an explicit narrative of 'an end to violence' and of a 'political settlement' having been achieved, as well as an implicit narrative according to which Northern Ireland is at present fit 'for integration into the consumerist society and the global economic order'.<sup>1</sup>

The image of Martin McGuinness and Ian Paisley ringing the trading bell of the Nasdaq in December 2007 symbolises the idea that if the 'invisible hand' of the market gets its way, it will provide lasting peace and reconciliation. Economic development agencies from countries like Kosovo and Iraq have even been brought on official visits to the north to witness the success of that idea. Under the 'new dispensation', governance structures have been assembled to reconfigure post-conflict economic space.

'The onset of devolution has promoted a mix between ethno-sectarian resource competition and a constantly expanding neoliberal model of governance.' All governing parties subscribe to the virtues of free market enterprise, austerity finance, urban regeneration, public-private partnership, private-finance initiatives, and foreign direct investment by global multinationals. Neo liberal principles of privatisation, fiscal conservatism and low social welfare are seen as the main engines of social and economic peace dividend.<sup>2</sup> Peace has in effect been 'privatised'.

## The Mask of Neoliberalism

In opposition to the destructive antagonism between Republicanism and Unionism, the neoliberal project of governing elites promotes the the 'shared non-sectarian identity' of the consumer. It seeks to normalise the north by reducing 'shared space' to commercial shared space. Critics point that this idea is fundamentally to 'provide a mask or a 'Potemkin Village' to obscure the poverty and sectarianism hidden behind'.<sup>3</sup> The recently opened Titanic Belfast project is a prime example of such a 'Potemkin Village' promoted by this 'propaganda of peace'. A lecturer in History of Design at the University of Ulster has described the likes of the Titanic Project and the Laganside Development as the city's largest 'normalisation project' and contrasts the 'propa-

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<sup>1</sup> Greg McLaughlin and Stephen Baker (2010). *The Propaganda of Peace: The Role of Media and Culture in the Northern Ireland Peace Process*, Bristol: Intellect, 87ff

<sup>2</sup> Brendan Murtagh and Peter Shirlow (2012). *Devolution and the politics of development in Northern Ireland*. *Environment and Planning C : Government and Policy*, 30 :1, 46–61

<sup>3</sup> John Nagle (2009). *Potemkin Village : Neo-liberalism and Peace-building in Northern Ireland ?* *Ethnopolitics* : Formerly *Global Review of Ethnopolitics*, 8 :2, 187

ganda drive to make Belfast appear as normal' to the fact that at the same time the population has become even more divided and segregated.<sup>4</sup>

This project of 'rebranding' the six counties is there to hide the fact that Northern Ireland is a failed economic entity. It is fiscally dependent on the rest of the UK ; its annual deficit stands at £9 billion (€10.6 billion) a year, equivalent to £5,000 a person. Public spending accounts to almost 70 percent of its gross domestic product. Economic output is 20 percent below the British average, 30 percent of the population is economically inactive and it continues to experience the lowest private sector productivity of all UK regions. It is the only part of the UK where weekly wages in the public sector –where over 30 percent of the workforce is employed- are on average £105 higher than the private sector.

Growth rates have consistently trailed behind the UK average. All this puts in doubt whether 'Northern Ireland' can become an attractive option never mind a shining example for global capital. According to PricewaterhouseCoopers' Economic Outlook report published in August 2012, not only is the north's economy facing 'very serious problems' and lagging behind the rest of the UK, but the prognosis is even worse, with predictions for the regional economy to shrink even further.<sup>5</sup> Esmond Birnie, an Ulster Unionist and a senior economist at Pricewater- HouseCoopers admitted last year: 'Over three decades, the standard of living has remained flat. The reliance on the public sector still remains very high. We've had a high decline in manufacturing...and while there has been growth in the service sector, these are low wage, low productivity jobs — no compensation for the loss of traditional industries. The Northern Ireland economy only grows when there is a massive increase in public spending and another increase in public spending is not realistic.'<sup>6</sup> So much for Northern Ireland PLC!

## The Spoils of Peace

There were hopes that the cessation of violence would be followed by a 'peace dividend'. A detailed study of the evolution of the northern economy in the ten years since following the Belfast Agreement seriously questions the degree to which the peace process has engendered a general and sustainable 'peace dividend', especially for the marginalized populations who suffered most during the conflict. [7] Even Ian Coulter, the chairman of the Confederation of British Industry, stated earlier this year that despite the political peace dividend in the last 14 years, there has been no real economic dividend and the north's economy has not moved on since 1998.<sup>7</sup> Her Majesty's Treasury provided this assessment in a paper published last year: 'Peace has not in itself been sufficient to raise Northern Ireland prosperity to the UK average or even to the UK average excluding South East England. Northern Ireland still has one of the weakest economies in the UK.'<sup>8</sup> And since the start of the great recession 'the much-heralded prospects of a peace

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<sup>4</sup> David Brett. (2004) Geologies of site and settlement, in : Nicholas Allen and Aaron Kelly (eds), *The Cities of Belfast*, Dublin : Four Courts Press, 25–26

<sup>5</sup> Una Bradley, North's economy facing 'serious problems', *The Irish Times*, 8 August 2012

<sup>6</sup> Clare Weir, Province no longer 'a special case' for cuts, *The Belfast Telegraph*, 13 January 2011 [7] Denis O'Hearn (2008). *How has Peace Changed the Northern Irish Political Economy ? Ethnopolitics : Formerly Global Review of Eth- nopolitics*, 7 :1, 101–118

<sup>7</sup> Francess McDonnell, Sectarianism in work- place dampens jubilee cheer, *The Irish Times*, 22 May 2012

<sup>8</sup> HM Treasury (2011), *Rebalancing the North- ern Ireland Economy*, London : HM Treasury, 3

dividend have simply evaporated following the meltdown of global financial markets. Negative equity, job fears and the cost of living dominate the domestic economic horizon.<sup>9</sup>

The working class has seen little improvement of their condition. The Wall Street Journal notes that: 'In the decade following the official end of 'the Troubles,' levels of poverty in both communities has not been reduced. Any peace dividend Northern Ireland received has failed to reach those that most needed to see economic improvement. Indeed, working class communities, which were heavily subsidised by the British state during the Troubles, have actually seen their economic position decline in recent years.'<sup>10</sup> In a 2011 report, the Northern Ireland Assembly's Research and Library Service studied deprivation and social disadvantage since 1998. It found little evidence of 'peace dividend' and that the gap between the well-off and the disadvantaged 'persisted and in some cases increased since the signing of the Good Friday Agreement'. Of the 56 wards ranked as the most deprived ten percent in 2001, the researchers found that only 14 areas had climbed out of deprivation by last year. In some cases this had been achieved only because of boundary changes.<sup>11</sup> It is thus hardly surprising that there were recent criticisms of the fact that working class communities have missed out on the dividend from development at Titanic Quarter.<sup>12</sup>

## Divide and Re-Conquer

Behind the facade of regeneration, 'peace' is at best what has been described as 'benign apartheid'. Segregation and divisions have significantly increased since 1998. Neoliberal peace has failed to normalise the six counties. Fourteen years after the Belfast Agreement Northern Ireland remains a very divided society. The indicators show that in some areas the divisions have increased: most obviously, the number of interface walls has increased from twenty two at the time the Agreement was signed to forty eight today according to the Department of Justice, or eighty eight according to the last count taken by the Institute of Conflict Research. There is evidence of continuing deep division in housing and education.<sup>13</sup> With its failure to bring peace dividend or develop reconciliation, the 're-branding' of the six counties is a case of 'putting lipstick on a gorilla.'<sup>14</sup>

The idea that the free market can generate social and economic prosperity and lasting peace can thus be seriously questioned. The current economic crisis makes things even more difficult. Objective circumstances certainly have weakened the neoliberal project but whether an alternative political project of the subordinated classes will emerge remains very uncertain. The establishment is particularly concerned that the economic crisis provides an opportunity for so-called 'dissident' republicans.

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<sup>9</sup> Francess McDonnell, Homegrown talent stands high in otherwise difficult year, The Irish Times, 27 December 2011

<sup>10</sup> Neill Lochery, There May Be Trouble Ahead in Northern Ireland, The Wall Street Journal, 14 September 2011

<sup>11</sup> Diana Rusk, Quality of life in north's deprived areas worsens, The Irish News, 24 March 2011

<sup>12</sup> Lesley-Anne McKeown, Working-class communities 'missed out on Titanic Quarter dividend', The Belfast Telegraph, 3 May 2012

<sup>13</sup> Paul Nolan (2012) Northern Ireland Peace Monitoring Report (Number One – February 2012), Belfast : Community Relations Council

<sup>14</sup> William J.V. Neill (2006) : Return to Titanic and lost in the maze : The search for representation of 'post-conflict' Belfast, Space and Polity, 10 :2, 119

The Financial Times for example noted that in the Creggan estate in Derry, six out of ten people are were classed as ‘economically inactive’ and in a sign of the deepening recession over two thousand three hundred people applied for 14 jobs on offer at a new DFS furniture store. The paper concluded that ‘this climate has presented opportunities for hard line groups of dissident Republicans, who oppose the peace process’.<sup>15</sup>

Former Tánaiste and attorney general Michael McDowell predicted earlier this year that the peace process will survive the economic downturn on both sides of the border. Politics in the north could become more divisive in the absence of economic progress, but he said he didn’t believe there was a fundamental risk that it would slip back into conflict.<sup>16</sup> This raises the important question of the political effects of the economic crisis. There is no automatic connection between an economic and a political crisis. There is an economic crisis, but it has not yet reached the stage of an organic crisis – where the very legitimacy of the system itself is questioned. Instead, in the north the crisis has led to calls to lower corporation taxes. There was a substantial one day strike on 30 November 2011 over public sector pensions but it seems to have had little political effects. Such protests remain limited to ‘economic-corporate’ interests and are unconnected to the question of winning political power and the transformation of the state.

## Different Class

While working class people in the six counties are overwhelmingly aware of the material inequalities that mark the social order under which they live, this seems to have little effect upon the political culture of the province. The ideological formations that are prevalent within the six counties would appear to arise not out of class consciousness but rather out of national and sectarian identity. Over two hundred thousand people are members of a trade union, but class politics are absent and the left is largely irrelevant.<sup>17</sup> Many writers in the socialist and labour traditions have pointed to episodes of working-class unity in the past – notably the 1907 and 1919 strikes and the 1932 unemployed workers’ movement as the way forward but have failed to analyse the relative weight of class issues and national or sectarian divisions.

Class and ‘religion’ have together shaped the structure and consciousness of the modern working class in the north of Ireland. A purely class-based focus – or rather one based on a narrow economic definition of class – leads to a misinterpretation of such key events. Working class unity can be fragile if based solely on economic interests, as in 1907, 1919 and 1932.

It is unlikely to crystallise into full unity embracing political and ideological elements, given the irreconcilable differences between the Unionist and Nationalist components.<sup>18</sup> The left and other oppositional forces such as dissenting republicans are also all emerging from a period of defeat and the general climate is one of depoliticisation and demobilisation. ‘Ours is the age more of the general shrug than the general strike’ as Mick Hume put it.<sup>19</sup>

The key question is whether these are structural tendencies or a conjunctural phenomenon. From a *longue durée* perspective – an approach which gives priority to long-term historical

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<sup>15</sup> Jamie Smyth, Northern Ireland: A peace to protect, *The Financial Times*, 14 August 2012

<sup>16</sup> Paul Cullen, Peace process will survive despite downturn, says McDowell, *The Irish Times*, 25 February 2012

<sup>17</sup> Colin Coulter (1999). The absence of class politics in Northern Ireland. *Capital and Class*, Issue 69, 77–100

<sup>18</sup> Ronald Munck (1985). Class and Religion in Belfast – A Historical Perspective. *Journal of Contemporary History*, 20:2, 241–259

<sup>19</sup> Mick Hume, *British Trade Unions: General Shrug Now!*, Spiked Online, June 2011

structures over the *histoire événementielle* or short term 'eventual history' — it would be premature to conclude that the working class movement in the north is dead, it is possibly more accurate to characterise it as being in a process between decomposition and recomposition. Key to that recomposition are international factors. Given the dependence of the six counties on external forces (political and economic) the internal balance of forces is unlikely to change in the north until they begin to change elsewhere in the British Isles and in Western Europe. Until then the left will have to prepare for a long 'war of position' and get ready to battle for political leadership.

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