

Neoliberal Belfast: Disaster Ahead?

Brian Kelly

Buried beneath the hype surrounding the launch of Belfast's 'Titanic Signature Project' in mid-April was a small detail that managed to get a brief airing in Belfast's council chambers a few weeks later: working-class communities across the city had 'missed out on the dividend' arising from the project, which failed to meet even the minimal 'social responsibility' goals that the city had set in exchange for fast-tracking the project through planning and handing over 10m in ratepayer's money. The Titanic project, at more than 92m, two thirds of it public money, is the most expensive tourist attraction in Europe¹. Yet it failed to generate a mere 25 apprenticeships, fell short of creating a pitiful 15 jobs for the city's long-term unemployed, and to date includes not a single unit of desperately-needed social housing².

Politicians from all the major parties, and from minor players like the Progressive Unionist Party, are now scrambling to hedge their bets on the Titanic Quarter, but not one of them raised the slightest objection earlier on, despite clear signals that all was not well. Serious complaints were raised as early as 2007 that local communities had been completely sidelined in planning. Auditors warned before the opening that Titanic would have difficulty breaking even, and the bursting of the property bubble means that the new 'signature building' stands alone, surrounded by industrial rubble rather than the glittering towers of

flash condominiums in the original plans. The owner of the adjacent Odyssey entertainment centre has said that its entanglement in the Anglo Irish Bank debacle will leave the 11-year old complex 'near-empty' and 'derelict'³.



Criticism of the project has touched a nerve among tourism officials and politicians. When government-appointed auditors warned in a high-profile report that it might be 'unviable,' DUP Enterprise and Trade Minister Arlene Foster responded that she was 'frustrated to the ends of the earth' by people 'talking down' the Titanic project. Tourism chiefs deemed it 'unprofessional' for the auditors to release their findings ahead of the opening, and the scandal-ridden First Minister Peter Robinson went further, taking aim at

¹See Capital cost per visitor for a range of attractions in Northern Ireland Audit Office, *Review of the Signature Projects* 13 Dec. 2011, p44.

²'Working-class communities missed out on Titanic Quarter dividend', *Belfast Telegraph*, 3 May 2012. Overall costs and public contribution to the Titanic project are from NIAO, *Review of Signature Projects*, p44.

³NIAO, *Review of Signature Projects*, p37-41; 'Curistan warns over Odyssey's future', UTV News, 26 Jan. 2012:<http://www.u.tv/News/Curistan-warns-over-Odyssseys-future/963db476-c153-4eed-b71d-1bd1579dd5dd>.

the meagre forces of the local ‘Occupy’ movement then holed up in a former city centre bank. Rather than engage in ‘artless protest’ over housing foreclosures and evictions, he told well-fed banqueters at a Stormont dinner for the NI Assembly Business Trust, it was time that we ‘all pull together’ and ‘stop talking the Northern Ireland economy down.’⁴

The Titanic project illuminates in an especially crass manner the free market fundamentalism underpinning the ‘new’ Belfast, and epitomizes the convergence of local and global capital in remaking the whole of Northern Ireland in a neoliberal mould. In the mid-1990s, when shiny diplomats and aspiring Nobel recipients were still struggling to convince ordinary people to sign on to the ‘peace process’, there was a great deal of talk in the air about a ‘peace dividend’: if only the British exchequer didn’t have to squander so much public money on ‘security,’ it was hinted, resources could be shifted to building up those working-class communities hit hardest during a quarter century of conflict, renovating dilapidated schools and hospitals, and improving public services.

In the wake of the real estate collapse and the onset of global economic crisis, all of that seems a very distant memory now,

and it is the gap between promise and reality that explains Robinson’s defensiveness. The stark social inequalities that fuelled the ‘Troubles’ remain deeply entrenched: the very same districts that suffered the brunt of the violence from 1969 onward remain at the bottom in poverty, unemployment, and social deprivation; public funding is being cut to the bone, with hospital patients dying on trolleys and schools facing closure⁵; low-paid public sector workers whose wages make up a large portion of income in every working-class community across the North are threatened with redundancies by the thousands. All this is being carried out by an Assembly at Stormont that seems to be constantly falling out over issues having to do with culture and national identity, but which is ecumenical enough in its collective worship of the free market.

Media focus on the ‘Troubles’ and their aftermath has always obscured a critical aspect of life in Northern Ireland: it remains one of the most unequal societies in western Europe. A comprehensive study published in 2003 found that “Northern Ireland has higher poverty rates than the Republic of Ireland and Great Britain,” and that the scale of poverty was ‘a reflection of widening income inequalities’ in a society ‘not only characterized

⁴ Foster’s comments came during the Northern Ireland Assembly Debates, 16 January 2012, at <http://www.theyworkforyou.com/ni/?id=2012-01-16.0.62>; Yvette Shapiro, ‘Can Titanic’s hopes stay afloat?’ *BBC News Northern Ireland*, 22 January 2012, <http://www.bbc.co.uk/news/uk-northern-ireland-16666231>; ‘Robinson targets ‘negative media’ for ‘talking Northern Ireland down’, *BBC News Northern Ireland*, 24 February 2012, <http://www.bbc.co.uk/news/uk-northern-ireland-17151871>. Naomi Long from the Alliance Party shared the DUP’s defensiveness. See ‘Titanic project can’t be allowed to sink: Long’, *Belfast Telegraph*, 15 December 2011, <http://www.belfasttelegraph.co.uk/community-telegraph/east-belfast/titanic-project-canrsquot-be-allowed-to-sink-long-16091474.html>.

⁵ ‘Man dies as Belfast A&E ‘pushed to limits’’, *BBC News Northern Ireland*, 15 March 2012, <http://www.bbc.co.uk/news/uk-northern-ireland-17378125>; see also ‘Agency nurse at Royal A&E has not worked since man died’, *BBC News*, 21 March 2012, <http://m.bbc.co.uk/news/uk-northern-ireland-17453720>; ‘Education minister says school closures may be necessary’, *BBC News*, 26 September 2011, <http://www.bbc.co.uk/news/uk-northern-ireland-15058230>

⁶ Hillyard et. al. *Bare Necessities: Poverty and Social Exclusion in Northern Ireland* (Belfast: Democratic Dialogue, 2003), p43-44.

by high poverty levels but also by considerably higher levels of income inequality than Britain'.⁶ Any serious plan for post-conflict economic development should have had as its central priorities the closing of the obscene gap between rich and poor, the eradication of the poverty that dominates working-class housing estates in 'both communities', and the wiping out of remnants of the legacy of decades of sectarian discrimination.

Instead, the neoliberal model embraced by every main party after the Belfast Agreement and now held up as a model for 'conflict transformation' around the word holds dogmatically to a version of 'trickle-down' economics, where funds stripped from the public sector are poured into high-end shopping malls and lavish golf resorts under the pretext that some of this will somehow, someday, make its way back into the hands of ordinary people. The wealth gap is growing, poverty is on the increase, and the minimal checks on sectarianism forced upon the state in the post-civil rights era have been brushed aside in the new euphoria for private sector-led 'regeneration'.

The Neoliberal Solution: Made in Washington

Pressed by the architects of the peace process in Washington and London, the northern establishment has embraced the free market as a panacea for the region's woes, imagining that it has come up with a pragmatic and original solution to local problems. The reality is that the economic foundations of the Northern Ireland peace

process come straight out of the Washington playbook, firmly rooted in neoliberal ideology, and not some specially adapted plan carefully tailored to fit local history or conditions. In April 2008 Stormont announced \$800 million in US investment, half of it from the Irish-American affiliated 'Emerald Investment Development Fund'. A month later New York mayor Michael Bloomberg led a delegation of 100 US corporate leaders to Belfast for an investment conference convened by *Invest NI* and the American Consulate, at which he suggested that exploiting its links to the US corporate world could make Belfast one 'of the most competitive financial hubs in the world'⁷.

Neoliberalism originated among US-based, right-wing academic economists in the 1950s, but made its way out of University of Chicago classrooms into the factories and internment camps of Chile under conditions of military dictatorship in the 1970s. Globally, the Chilean experiment found its greatest admirers in Margaret Thatcher and Ronald Reagan, whose attacks on the public sector aimed at popularizing the notion that state under modern capitalism existed solely to reinforce corporate power.⁸

If on some narrow grounds Chile represented an economic success, the export of free market 'shock therapy' to the former 'eastern bloc' countries by heirs to the Chicago School in the 1990s was an unmitigated disaster, resulting in soaring poverty, widening inequality, and a staggering decline in living standards. True believers had their devotion to neoliberalism rekindled, briefly, in the fanfare preceding the

⁷Bloomberg quoted in John Nagle, 'Potemkin Village: Neo-liberalism and Peace-building in Northern Ireland?', *Ethnopolitics* 8:2 (2009), 177.

⁸ David Harvey, *A Brief History of Neoliberalism*, 6, 21,50, p55-62; Chris Harman questions the degree to which neoliberalism signified a rupture with postwar capitalism, foreseeing in some ways the nostalgia for traditional Keynesianism in recent writing on the global crisis. See his 'Theorizing Neoliberalism', *International Socialism Journal* 117 (Dec. 2007): <http://www.isj.org.uk/?id=399>.

US/UK invasion of Iraq in the spring of 2003. In post-Saddam Iraq, the Bush plan went, a stable, corporate-dominated, oil-rich neoliberal utopia would emerge from the rubble of 'shock and awe' to serve as a model for projecting US interests and transforming the region⁹. The brutal reality of post-invasion Iraq offers a salutary lesson on the limits of neoliberalism. Not for the first time, the market utopia promised by right-wing ideologues turned out to be a harrowing nightmare. Although trumpeted in Northern Ireland as a salve for sectarian antagonism, neoliberalism's record in Iraq-where it has produced a bloody and dramatic *revival* of sectarian violence¹⁰ -should make any sane person sceptical about these claims.

Multinational Capital and the End of the Orange State

Free market ideology was not simply forced on the northern establishment by arm-twisters dispatched from London or Washington. By the time of the Belfast Agreement in the mid-1990s, the one-party sectarian state that had ruled Northern Ireland from its founding in the early 1920s through to the outbreak of violence in 1969 was already a relic of the past: what would replace it remained open to question. The Orange state rallied its repressive capacity to try to contain nationalist insurgency through the seventies and eighties, but by the termination of armed conflict it was clear that there would be no going back to old-style unionist rule. Bitter-end sectarians have resisted the collapse of their former ascendancy in a combination of

brutal intermittent attacks on vulnerable Catholics and mostly symbolic provocations aimed-like the Garvaghy Road stand-off in the late 1990s, the tramping of the Royal Irish Regiment through Belfast city centre in 2008, or the recent clashes at Belfast City Hall-at restoring the morale in their own dwindling ranks¹¹, but pragmatic elements within unionism-including in the DUP itself-are well aware that they cannot rule in the old way.

This change of heart has been driven mainly by hard-headed reasoning among homegrown elites about how best to reposition the North in a global capitalist economy. Where local industries like shipbuilding and engineering once offered a basis for holding together an all-class Orange alliance between the 'big house' Protestants dominating official unionism and a materially deprived Protestant working class, by the late 1970s these economic sectors were in terminal decline. For all his small-mindedness and bumbling inconsistency, modernizing unionists like David Trimble grasped this essential fact, and realized that the open appeals to sectarianism that had been regular fare in the more insular pre-Troubles Northern Ireland would scare off the foreign investment needed to replace well-paid work in basic industry. The DUP held off from signing on to the Belfast Agreement, hectoring Trimble from the sidelines for having done deals with the republican nemesis, but the evidence from Wikileaks shows that Paisley and his henchmen were involved in similar discussions with Sinn F'in going back a long way. When it suited their political prospects, the DUP proved eager to take over where

⁹On plans for neoliberal Iraq, see especially Naomi Klein, 'Baghdad year zero: pillaging Iraq in pursuit of a neocon utopia', *Harper's Magazine*, Sept. 2004:<http://harpers.org/archive/2004/09/0080197>

¹⁰Stephen Zunes, 'The US Role in Iraq's Sectarian Violence', *Foreign Policy in Focus*, 6 March 2006:http://www.fpif.org/articles/the_us_role_in_iraqs_sectarian_violence.

¹¹'Debate rages over Mayor's award snub', *Belfast Newsletter*, 21 May 2012:<http://www.newsletter.co.uk/news/local/debate-rages-over-mayor-s-award-snub-1-3302572>

ence of conflict¹⁷. The trick in this for Sinn Fin lay in manoeuvring toward centre-right politics while holding onto poor and working-class voters who had stuck with them through thick and thin. Whether they can pull this off in the long run remains open to question.

Sinn Fin's conversion to neoliberalism has gone through two distinct phases. The first coincided with the heyday of the Celtic Tiger, when entrepreneurial elements in and around the Party felt confident that unionist elites, lured by the frenzy of unrestrained profit-making in the South, could be tempted into more expansive economic and political cooperation with Dublin and perhaps, eventually, to some form of permanent 'reintegration' of the island. 'Economic integration' and 'cross-border cooperation' were the buzzwords in the period before the collapse of the southern economy. Kieran Allen captured the dynamic underlying Sinn Fin's optimism perfectly about eighteen months before the economic crash:

The distant shape of a bourgeois solution to the Irish 'problem' is steadily coming into view. Economically, it is an island that is strongly wedded to the Anglo American empire, fully embracing flexible markets and setting a lead on tax cuts for global capital. It will be a service led economy which specialises in obtaining outsourcing contracts

from US multinationals, while maintaining niche markets in pharmaceuticals and information communications technology. Politically, there could be an extension of the institutionalised form of sectarianism that is at the heart of the Belfast Agreement.... Under this wider schema, there could be a more closely intermeshed Ireland, where the British Irish sovereignty is pooled in the North. This institutionalisation of communal politics is, after all, an ideal mechanism for developing an all Ireland neoliberal economy.¹⁸

The exuberance that upheld this vision died a quiet death when the property bubble burst in late 2008, and in the new context it is unlikely to undergo a resurrection. Indeed, one survey undertaken in the depths of recession, *after* steep austerity measures had been pushed through in the South but *before* the implementation of major cuts in the North, found that a majority of northern Catholics would prefer to remain part of the UK rather than join the Republic¹⁹. All the usual suspects on the Unionist Right seized on the numbers to gloat over the collapse of nationalist aspirations, but the results should be read as confirmation of the priority most ordinary people place on their economic security in hard times.

The second phase of Sinn Fin's ac-

¹⁷Tonge, 'Sinn Fin', 144; 'Now the Taigs are filthy rich', *Irish Independent*, 15 June 2008:<http://www.independent.ie/lifestyle/now-the-taigs-are-filthy-rich-1410557.html>; 'Northern Ireland report: Statistically the future is Catholic and female', *Belfast Telegraph*, 1 March 2012:<http://www.belfasttelegraph.co.uk/news/local-national/northern-ireland/northern-ireland-report-statistically-the-future-is-catholic-and-female-16124117.html>.

¹⁸Kieran Allen, 'Northern Ireland: The death of radical republicanism', *International Socialism Journal* 114 (April 2007):<http://www.isj.org.uk/index.php4?id=303&issue=114>.

¹⁹'Is Catholic support for a united Ireland on the wane?', *Belfast Telegraph*, 18 June 2011:<http://www.belfasttelegraph.co.uk/news/local-national/northern-ireland/is-catholic-support-for-a-united-ireland-on-the-wane-16013433.html#ixzz1vV049C8a>.

commodation to neoliberalism developed in a much less favourable economic context: the deep austerity imposed by international capital in the wake of the 2008 crash. One critical element of the formula for cross-border economic cooperation remains on the table in the new context of all-island austerity: plans to slash the corporate tax rate in the North by more than half, down to 12 percent-and lower if the DUP has its way²⁰. Pushed as its top priority by the Confederation of British Industry, the private sector employers' lobby in the North, and supported by New Labour and now the Tories at Westminster, the plan has the support of all the main parties, including both the SDLP and Sinn Fin²¹. Tory Secretary of State for Northern Ireland Owen Patterson supports the corporate tax cut as one in a series of neoliberal reforms that will establish Northern Ireland as an 'enterprise zone', gut the public sector, and hand over the local economy to market forces. Patterson takes his marching orders from David Cameron, who singled out the North as a region where 'the state is too big', comparing its public sector to 'the communist countries in the old eastern bloc'²².

The obscenity of Sinn Fin's lining up with the heirs of Thatcher in the city that was home to Bobby Sands and two other hunger strikers who died at her hands is hard to stomach. Brian Campfield of

the Northern Ireland Congress of Trade Unions remarked that the Party's support for attacks on the public sector 'is difficult to comprehend.... The political logic of its policy on corporation tax would find them supporting a united Ireland at any cost; monarchist, neo-liberal, anti-working people'²³. Within the logic of neoliberalism, however - now thoroughly accepted by the Sinn Fin leadership²⁴ - this is but one of a series of necessary manoeuvres in its evolution as a 'respectable' partner in government. If tax cuts go ahead as planned they will bring real hardship to already suffering working-class communities on both sides of the sectarian divide. The implications of such a massive reduction in corporation tax are stark: the burden for funding the North's already ailing public services will either be shifted onto to the backs of working people or the public sector will collapse completely: within the framework of neoliberalism, there is no other way.

²⁰ 'Our aim', the DUP manifesto claims, 'is not to be as competitive as the Irish Republic, but to be more competitive, so we would work towards a 10% rate', 'Economy: Corporation tax cut 'under threat'', *AgendaNI*, 1 March 2012:<http://www.agendani.com/corporation-tax-cut-under-threat>.

²¹ 'DUP and Sinn Fin back corporate tax cut', *Financial Times*, 13 Nov. 2006:<http://www.ft.com/cms/s/0/b4b44b20-7358-11db-9bac-0000779e2340.html>.

²² 'David Cameron targets north-east and Northern Ireland for spending cuts', *Guardian*, 23 April 2010:<http://www.guardian.co.uk/politics/2010/apr/23/david-cameron-paxman-squeeze>.

²³ 'We're playing roulette with vital public funds', *Belfast Telegraph*, 16 June 2011:<http://www.belfasttelegraph.co.uk/opinion/news-analysis/were-playing-roulette-with-vital-public-funds-16012057.html#ixzz1PW1Ub3rr>.

²⁴ 'The virtues of free-market enterprise, urban regeneration, private-finance initiatives to bolster public services, and inward investment by global multinationals has become hegemonic in Northern Ireland', John Nagle writes. 'all the major political parties largely subscribe to these neo-liberal values'. Nagle, *Potemkin Village*, 176-177.



The problems inherent in the neoliberal model for Northern Ireland extend far beyond the debacle of the Titanic Quarter or grave threats to the public sector. The neoliberal turn has been marked locally by a shift away from the grudging acknowledgment of social inequality that figured in the margins of earlier development plans. As a group of Protestant ministers noted, Patterson's private-sector wish-list, *Rebalancing the Northern Ireland Economy*, and the Assembly's most recent *Program for Government* dropped even the pretence of addressing ongoing problems related to poverty and social exclusion²⁵. With its 'almost religious belief in the conflict-solving powers of neoliberalism', the consistent emphasis in everything emanating from government has been on economic growth, with not a word about how any new wealth might be redistributed to reverse inequality²⁶. This is in a region with higher rates of poverty and lower wages than anywhere else in the UK; with the number of people on incapacity benefit some 74 percent higher than else-

where; where median private sector wages are lower than in the public sector; and where some 43 percent of households live in poverty or are vulnerable to poverty²⁷.

The government agency charged with securing multinational investment in the North, *InvestNI*, has been plagued by scandal from its inception. It handed over 15m. in public funds to Valence Corporation to manufacture batteries in Malusk on the understanding that the company would create 600 jobs, but only 400 of these ever materialized-the majority of them through temp agencies-before the company upped sticks and relocated to China. It handed the Bank of Ireland 2m, ostensibly to create 150 jobs, but only 20 were delivered, and more recently gifted 250,000 to high-powered London law firm Allen and Overy, whose directors used the bulk of the funding to simply relocate London staff, and never created the 300 jobs they'd promised. The list goes on. After every scandal *InvestNI* officials vow solemnly to 'learn the lessons' of past mistakes. Until the next revelation.

The most troubling aspect of *InvestNI's* record is not its propensity for scandal, however, but the economic strategy revealed in its 'successes'. One recent report found that far from lifting the local economy, '*InvestNI's* involvement is now causing the ongoing failure of the market'²⁸. The majority of jobs it can claim to have had some role in bringing to the North are low-paid, dead-end jobs in call centres and the service industry, and here the record at Valence, where temp agencies managed recruitment and took a cut

²⁵ Evangelical Alliance, *Evangelical Alliance Northern Ireland Response to Building a Better Future: Draft Programme for Government 2008-2011* (Belfast: Evangelical Alliance, 2007).

²⁶Hillyard, Rolston and Tomlinson, *Poverty and Conflict in Ireland : An International Perspective* (Dublin : Institute of Public Administration/Combat Poverty Agency, 2005), 47.

²⁷Hillyard et. al, 'Bare Necessities', 29, and Alan Ruddock, 'Northern Ireland Where is the bright new future?' *Management Today* (March 2006), 46.

²⁸'Invest Northern Ireland 'causes market failure' ', *BBC News*, 20 July 2011:<http://www.bbc.co.uk/news/uk-northern-ireland-14213577>.

for themselves, is typical of the ‘flexible’ labour arrangements that lie at the centre of the neoliberal vision for ‘job creation’ in Northern Ireland. The *Belfast Telegraph* boasted in February 2012 that ‘call centre posts are more readily available in Belfast than anywhere else [in the UK] with the city having three times as many jobs in the industry than the national average’, and given the experience at one company, Indian-owned HCL Technologies, its not hard to see how the North has earned that dubious distinction²⁹.

InvestNI sets out to attract investment by touting the region’s ‘lack of labour market discord and competitive wages’. To sweeten the deal for HCL, they were given more than 5.8m in public funds to create around 1000 call centre jobs in Belfast and Armagh, all of which would be recruited through temp agencies like Manpower. Pay was just slightly above minimum wage, at 5.33/hour starting pay (nearly 2 less than the NI average), with a longer workweek and a heavy staff turnover. Over time, unions managed to whittle down the proportion of employees on temporary contracts before the company unilaterally withdrew from its agreements, then imposed new terms around pay and holiday entitlements in April 2011. The *Belfast Telegraph* reported on the company’s ‘ultimatum’:

[HCL] employees were sent a letter in which [the general manager] announced that the

firm would be making changes to the terms and conditions of the majority of the staff.

These include freezing or discontinuing the current salary scale, removing March 17 and July 12 as bank holidays, freezing or discontinuing annual leave increments, removing personal health insurance, removing BUPA health care, freezing future increases to pension contributors and reducing company sick pay.

All of those benefits are protected in current contracts but the company doesn’t recognise unions³⁰³¹.

In February 2012 the other shoe dropped: HCL announced the complete closure of its Armagh operations, with reports that they would be relocated to Cork, in that other bastion of neoliberal exploitation to the south³².

Defenders of *InvestNI* insist that low-end jobs in call centres and the service industry don’t reflect the core of their investment strategy, which aims to supplement these with better paying work in the so-called ‘knowledge economy’ (mainly computer- and bio-technology and financial services). But even in these sectors, the offer of a highly-skilled workforce available at rock-bottom wages seems to be the main selling point for attracting multi-

²⁹‘Recruitment study names Belfast ‘call centre capital’’, *Belfast Telegraph*, 23 February 2012:<http://www.belfasttelegraph.co.uk/business/business-news/recruitment-study-names-belfast-call-centre-capital-16121486.html#ixzz1vbCPD28g>.

³⁰‘1,000 HCL call centre staff in Northern Ireland get jobs ultimatum’, *Belfast Telegraph* 30 March 2011:<http://www.belfasttelegraph.co.uk/business/business-news/1000-hcl-call-centre-staff-in-northern-ireland-get-jobs-ultimatum-15130973.html>.

³¹ See also the CWU review of pay and conditions at HCL in *HCL (Northern Ireland), History*:<http://www.cwu.org/11665/hcl-northern-ireland.html>.

³² ‘HCL BPO rejig may cost 425 jobs in Ireland’, *Times of India*, 14 February 2012:http://articles.timesofindia.indiatimes.com/2012-02-14/outsourcing/31058194_1_hcl-bpo-s-centre-hcl-technologies-northern-ireland

national capital. In a revealing article, ‘Forget Bangalore, Come to Belfast’, high tech magazine *The Register* summarised a study carried out in the middle of the last decade which found that ‘high tech salaries in Belfast are among the lowest of cities surveyed in the UK, Europe, the US and Canada. Only Bangalore in India, and Budapest and Prague in Eastern Europe, have lower salary levels’. The most glaring finding was the gap between salaries in Dublin (at the height of the boom years) and Belfast. Junior programmers in Dublin received on average €44,000 compared to just €26,000 for the same work in the North. Things hadn’t changed as of 2009, when researchers at labour recruitment managers Brightwater found that highly skilled Belfast workers were being paid ‘60 percent less than their southern counterparts’. Undaunted, *InvestNI* officials regarded this as ‘positive news for inward investment’ and ‘further evidence that companies based [in Ireland] should consider the North their location of choice’³³.

As in post-invasion Iraq, so also in Northern Ireland, neoliberalism rarely delivers on the over hyped transformation it promises. In the context of global economic crisis, the architects of the ‘new’ Northern Ireland face an unexpected dilemma: the low wages and austerity imposed under the neoliberal regime render it more difficult to create the conditions for economic recovery. The long delay in implementing corporate tax cuts and

the hesitation in proceeding with dismantling of the public sector do not reflect a change of heart among the Tories, the CBI, or any of the main parties at Stormont. Rather they point to the realization by some that taking an axe to the public sector in the depths of world recession is likely to deepen the already severe economic crisis. The UUP’s Esmond Birnie captures the dilemma faced by free market fundamentalists in the North: the economy, he says, is ‘stuck in a predicament. We need to reduce the dependence on the state, but reducing the scale of the public service will reduce the level of demand in the local economy’. The difficulty is a localized version of the debate over austerity now rolling across Europe: large scale cuts in public sector employment will draw millions of pounds in wages out of the economy, with potentially devastating results in the current climate³⁴.

Calculated Amnesia: Sectarianism and the ‘Rebranding’ of Belfast

Belfast is not alone in embracing the market solution to urban regeneration: variations of the neoliberal package have been applied to transforming cities across large chunks of the world over the past quarter century. In many ways the local version fits a pattern of attempts to remake formerly industrial centres hollowed out by the relocation of manufacturing away from advanced economies around

³³ ‘Northern Ireland touts low IT wages’, *The Register*, 12 May 2004:http://www.theregister.co.uk/2004/05/12/ni_it_wages/; ‘Northern Ireland salaries 60% lower than those in South: survey’, *Belfast Telegraph*, 23 Dec. 2009:<http://www.belfasttelegraph.co.uk/business/business-news/northern-ireland-salaries-60-lower-than-those-in-south-survey-14608765.html>.

³⁴ ‘Northern Ireland - Where is the bright new future?’ *Management Today*, 23 March 2006:<http://www.managementtoday.co.uk/news/542849/>

³⁵ For parallels with Pittsburgh, the former steel capital of the US, see Steven H. Lopez, ‘Contesting the Global City - Pittsburgh’s Public Services Unions Confront a Neoliberal Agenda’, in Michael Burawoy et. al. *Global Ethnography: Forces, Connections, and Imaginations in a Postmodern World* (Berkeley: University of California Press, 2000): 268-298.

the former industrial heartlands of the US and the UK³⁵. What makes Belfast distinctive among these is its long history of political and sectarian violence, a legacy that advocates of private sector-led regeneration claim the prosperity of the ‘new’ Belfast will leave behind: pull down the ‘physical barriers’ separating communities, Bloomberg predicted in his speech to the 2008 investors’ conference—just four months before the Lehman Brothers’ collapse—and ‘the flood gates of private investment will open’³⁶.

Champions of neoliberalism—including prominent nationalist businessmen—assert that in its ‘blind’ pursuit of profits the market will overturn the long legacy of sectarian discrimination in employment and elsewhere. The assumption rests on a significant change in the Northern Ireland economy: displacement of the older, locally-controlled industrial economy (deeply entangled in Orange politics) by multinational capital with no loyalties but the profit margins. But the reality is that in widening social and economic disparities the market is likely to aggravate historic tensions, and could very well lay the conditions for a revival of sectarian violence.

There are two key elements in the ‘new’ Belfast: gentrification of the city centre and the ‘rebranding’ of a ‘new’ post-conflict city, where the only reminders of the recent past are the wall murals seen from the top of double-decker buses as they wheel through (segregated) working-class districts. In line with the wider regeneration strategy, both are aimed at making the city a viable tourist destination (the weather poses a more intractable problem). But both are also exercises in calculated amnesia, and demonstrate how su-

perficial the commitment to uprooting sectarianism is among local elites in government and the corporate world.

‘[T]ourists see few signs of the violent legacy of the civil conflict in [Belfast] city centre today’, one recent study found:

It is here where the conflict seems to have been successfully transformed and ameliorated through inward investment, ‘cathedrals of consumption’ and inner-city regeneration. One example was witnessed in March 2008 with the opening of Victoria Square, a 400m shopping centre replete with 800,000 sq feet of shops and arcades selling [expensive consumer goods]. Yet it could be said that the arrival of such features to ‘normalize’ the city centre by making it into a commercial ‘shared space’ for Catholic and Protestant consumers represents a Potemkin Village, a facade to... mask the ‘injustices of segregation and socio-spatial exclusion’ that are hidden from the tourist gaze³⁷.

The cosmetic overhaul of the city centre and the designation of cultural ‘quarters’ for the tourist market is problematic on a number of levels. In the context of global recession, the pouring of public resources into high-end commercial development in the city centre has come at a high cost for smaller-scale, locally-owned shops, so that Belfast today has the highest commercial

³⁶‘Take down peace walls, NY Mayor’, *BBC News*, 8 May 2008: http://news.bbc.co.uk/1/hi/northern_ireland/7390938.stm.

³⁷Nagle, ‘Potemkin Village’, 173-174.

vacancy rate anywhere in the UK³⁸. More than that, the disparity between the up-scale shops and restaurants concentrated in a few square blocks of the downtown area and the desperate conditions many working-class residents live with at the other end of the bus line is stark. Even in a growing economy, these tensions won't be eased by the fact that the vast majority of jobs created in the tourism and service sectors will be minimum wage positions that offer no way out of poverty. Formally 'shared' (but *socially exclusive*) space in the shopping and tourist zones contrasts sharply with persistent residential segregation in working-class districts.

The attempt to rebrand and reposition Belfast to exploit its (questionable) tourist potential relies on a deliberate effort to bury the recent conflict, and to harken back nostalgically to a supposedly less contentious distant past by sanitising the city's industrial history. No one familiar with the brutality of what Belfast went through between 1969 and the mid-1990s would begrudge its people their day in the sun, but there are serious and potentially perilous consequences to embracing the kind of calculated amnesia upon which Stormont and the corporate establishment base their hopes.

In relaunching itself around the image of the Titanic, neoliberal Belfast has hitched its fortunes to an especially problematic piece of its past. The official PR for the opening, obviously aimed at American tourists, is suitably ahistorical and out of line with the rhetoric of a 'shared city' (on Belfast City Hall: 'with its statue of Queen Victoria scowling down Belfast's

main drag, and the Union jack flapping behind her. It's a stirring sight'.)³⁹ Behind the relentless assertion of industrial glory, the ship is burdened with a more complicated, less flattering legacy—one marked by capitalist hubris and the celebration of social inequality, exploitation and contempt for democracy, discrimination and vicious sectarian violence. Mass expulsions from the shipyards occurred in 1886, 1893, and 1912, with a major campaign against Catholic workers and 'rotten Prods' - left-wing Protestants - orchestrated by Unionist politicians and loyalist paramilitaries in 1920. As one commentator has noted in response to the PR campaign surrounding the launch of Titanic Quarter:

That Belfast was in the ocean liner business of 'democratising luxury for a new century' would have come as some surprise to those poor souls in steerage class... In a condescending fashion, a counterfeit representation of Belfast, portraying a shipyard with a united urban workforce led by visionary captains of industry—both with an accepting 'tolerance for mixed values' - is sold back to its inhabitants in the interest of profit via the dulcet tones of a mid-American accent. Belfast from the 17th through to the 19th century was imprinted through patronage planning with the proprietary brand of the Chichester family. What is depressing in

³⁸'Closed for business: one in five Northern Ireland shops lies empty', *Belfast Telegraph*, 22 May 2012: <http://www.belfasttelegraph.co.uk/news/local-national/northern-ireland/closed-for-business-one-in-five-northern-ireland-shops-lies-empty-16161621.html>; 'Belfast InShops complex to close', *UTV News*, 13 April 2012: <http://www.u.tv/News/Belfast-InShops-complex-to-close/c2fe4cff-39f4-49f5-ac4d-924bbcbdb123>.

³⁹ From the short and painfully ludicrous PR film on the Titanic Quarter at <http://www.titanic-quarter.com/index.php>.

the 21st-century post-conflict city is that such elitist city building on this grandest and most high-handed of scales, largely goes unchallenged⁴⁰.

The spinning of the Titanic legacy is symptomatic of the local establishment's faith in the market's ability to transcend the city's sectarian past. But it is seriously misplaced, and the danger of relying on amnesia can be seen in the establishment's failure to confront sectarianism in the present. When in June 2011 the UVF laid siege over several nights to the vulnerable nationalist enclave of the Short Strand, the official response was driven not by concern over the safety of those under attack, but by anxiety among those marketing the 'new' Belfast that rioting created 'the wrong kind of headlines' for a city trying to rebrand itself⁴¹. Enduring sectarianism does not horrify the neoliberal establishment; it merely embarrasses them. Promoters of the 'new' Belfast have gone to great lengths to airbrush sectarian bigotry from the city's history, and when it raises its head in the present their main concern is not to protect its victims but to keep it out of the news cycle.

The approach is clear in another recent incident - the attempted lynching of an 18 year-old film extra in the Village area of South Belfast earlier this year. James Turley, from the nationalist Short Strand, had just finished work on a movie set when he was chased down and attacked by a gang of up to fifteen young loyalists and dumped,

semi-conscious, in a wheelie bin. His attackers ran off after he overheard one of them say, 'That's enough. I think he's dead'⁴².

In some ways the response to Turley's assault was predictable and in keeping with a long tradition of evasion and victim-blaming. Under pressure local unionist politicians issued bland condemnations of the incident, but one prominent community 'regeneration' official had trouble admitting that Turley's assault was sectarian, and a former UUP candidate tweeted after he 'just saw a picture of James Turley' that 'perhaps the Irish News and I vary in our definitions of "left for dead"'. The most striking aspect of the incident was its disappearance from the media within 24 hours. The PSNI issued no statement, and the usually unbearable journalist Newton Emerson observed, perceptively, that as in the Stephen Lawrence murder police seemed to have switched quickly from 'crime solving to "public order" mode', consciously downplaying the incident to avoid provoking further violence. Officials from within the Northern Ireland film industry-another targeted 'growth' industry-called the incident 'regrettable' but 'not...typical of the industry here'. Within days the press were running reports that Belfast was 'one of the best cities to work in,' an assertion that contrasts sharply with the finding of a recent study by the ICTU-affiliated *Trademark*, which found in a survey of 2500 workers that some 44 percent had experienced sec-

⁴⁰William J. V. Neill, 'Return to Titanic and lost in the maze: The search for representation of 'post-conflict' Belfast', *Space and Polity* 10:2 (2006), 115.

⁴¹See for example the remarks of PSNI Assistant Chief Constable Alistair Finlay: 'On the back of a day where the right headline, the success of Rory McIlroy out of this small country [sic] made world headlines. We are making world headlines for entirely the wrong reasons', 'Belfast riot violence 'must stop now'', *Daily Telegraph*:<http://www.telegraph.co.uk/news/uknews/northernireland/8591784/Belfast-riot-violence-must-stop-now.html>.

⁴²'Beaten Catholic teenager left for dead after sectarian attack', *Belfast Telegraph*, 10 January 2012:<http://www.belfasttelegraph.co.uk/news/local-national/northern-ireland/beaten-catholic-teenager-left-for-dead-after-sectarian-attack-16101559.html#ixzz1wA3STL3d>.

tarian harassment at work⁴³.

Conclusions - Neoliberalism, Sectarianism and the Way Forward

Clearly the material basis of the old Orange state that dominated the North and created the conditions for the upheaval of 1969 no longer exists. Like their counterparts in nationalist districts, working-class Protestants have not benefitted in a substantial way from developments in the 'new' Northern Ireland. Large numbers of people on both sides of the sectarian divide remain trapped in poverty or struggling to hold on to the modest advances they managed in the years before the onset of global economic crisis in 2008.

Nearly fifteen years after the signing of the Belfast Agreement, sectarianism remains endemic across much of Northern Ireland. This remains true in spite of the fact that a majority of ordinary people from 'both communities' seem prepared to move on, and its persistence requires an explanation. Unlike the corporate establishment, middle-class crusaders, or even sections of the reformist Left who regard sectarianism as infecting 'both communities' equally and emanating from backward ideas in peoples' heads, socialists locate its origins in the divide-and-rule policy through which Britain came to dominate and then partition Ireland. It survives to the present day not because of some immutable local pathology, but because powerful interests have sustained it over centuries. And although market forces regard the violence it gives rise to intermittently as a nuisance, the corporate establishment

that dominates the North is unwilling to risk the even deeper instability that would accompany a frontal challenge to sectarianism. Its persistence is fuelled by continued and intensifying deprivation on both sides of the divide.

The danger in the current context is that, as the neoliberal promise unravels and ordinary people feel the full effects of economic depression, politicians from within both 'communities' will attempt to divert the blame. Nationalist politicians who are deeply invested in the new arrangements have no real stake in a confrontation with lingering sectarianism, and have been reduced to playing a dangerous communal card, stressing the continued disparities between their working-class constituents and Protestants as a whole rather than the growing inequalities *within* the nationalist community, or parallels in the circumstances of working-class people on both sides of the divide. Their 'outreach' to Protestants is really about organising a carve-up of space and economic resources between themselves and the most bigoted elements in the Unionist establishment, exemplified in the recent deal between *both* Sinn Fin and the SDLP and the DUP over the future of the Girdwood barracks site in North Belfast⁴⁴.

Among mainstream elements within Unionism, grandiose pronouncements in Dublin and Washington about the need to 'reach out' to Catholics go hand-in-hand with a resort to sectarianism that remains reflexive and unapologetic. Against a backdrop of increasing desperation among ordinary Protestants, Unionist politicians encourage the perception that Catholics are 'getting everything' under the new,

⁴³'Loyalist attack on Catholic actor filming in Belfast', *Irish Times*, 11 January 2012:<http://www.irishtimes.com/newspaper/ireland/2012/0111/1224310102121.html>; *Sectarianism in the Workplace* (Belfast: Trademark, May 2012), 28-30.

⁴⁴See the Nolan Show episode on the Girdwood agreement at http://www.bbc.co.uk/iplayer/episode/b01j0n4w/The_Nolan_Show_Episode_5/.

post-agreement regime. As one Protestant community worker on the Shankill told *Socialist Worker* a few years back, 'The problem is that politicians and the paramilitaries are trying to convince working class Protestants that they are the "new Catholics".' The strategy - reminiscent of the right-wing backlash against black civil right gains in the US - is evident in dubious claims about Queen's University becoming a 'cold house' for Protestants, or in misleading reports in the *Newsletter* and elsewhere that Protestants are now being discriminated against in employment. But as the same community worker stated at the time, the claims are 'rubbish - we're just all poor. We're living in the poorest part of Northern Ireland, the poorest part of Britain - and people are fed up'⁴⁵.

While it is significant that handfuls of activists in Protestant working-class districts across the North see through the attempts to manipulate sectarian divisions, the persistence of widespread alienation in a situation of deepening crisis means that the Left needs to aggressively counter any notion that Catholics are now 'on top', or that their advance has come at the expense of ordinary Protestants. For one thing, it is an assertion that runs counter to facts: although the *numbers* of Protestants and Catholics living in poverty across the North today are about even, nationalists (with a smaller overall population) remain disproportionately affected, with 7

of the 10 most impoverished areas across the North in nationalist districts⁴⁶. Beyond that, the attempt to divert Protestant working-class frustrations by pointing the finger at uppity 'Taigs' contributes directly to sectarian violence (especially during the annual marching season) and presents a barrier to an effective fightback - the *only means* by which people in either community can begin to challenge and uproot poverty.

One of the striking things about Sinn Fin's success in so far balancing its role in implementing austerity and claiming to speak on behalf of working-class nationalists has been the ineffectiveness of opposition from within the broad ranks of republicanism. It is clear now that the early obsession of Anthony McIntyre and other former IRA volunteers with the 'betrayal' of Gerry Adams and those around him represented a serious political distraction, a focus on the form rather than substance of Sinn Fin's evolution. Since then, the attempts of dead-end militarists to relaunch an armed campaign in the absence of popular support has proven a gift to Sinn Fin, distracting attention from the austerity they have signed up to and allowing the party to pose as the voice of 'mature' nationalism against those seeking a return to unwinnable armed conflict. At the same time their actions have allowed the establishment to paint all opposition to Stormont from within the nationalist community as the work of 'dissident' wreck-

⁴⁵ 'Belfast: the real divide', *Socialist Worker (UK)*, 8 Oct. 2005: <http://www.socialistworker.co.uk/art.php?id=7495>; 'Protestants and universities: the students hit back', *Belfast Telegraph*, 6 October 2009: <http://www.belfasttelegraph.co.uk/news/education/protestants-and-universities-the-students-hit-back-14522380.html>; 'Protestants losing out on jobs - report', *Belfast Newsletter*, 22 May 2012: <http://www.newsletter.co.uk/news/local/protestants-losing-out-on-jobs-report-1-3867304>.

⁴⁶ 26% of Catholics in poverty compared with 18% of Protestants, according to the latest figures. See Tom MacInness et. al., *Monitoring poverty and social exclusion in Northern Ireland 2012* (York: Rowntree Foundation, 2012), 14. Statistics on social deprivation are contained in Table 4.1, *Northern Ireland Multiple Deprivation Measure 2010* (Belfast: Northern Ireland Statistics and Research Agency, May 2010), 27.

ers, stifling attempts at building an alternative outside the political establishment to which Sinn Fin now belongs.

The simple fact of the matter is that no viable challenge to the status quo in the North is possible without the active involvement of substantial numbers of Protestant workers. They cannot be won within the limits of republicanism, and the suggestion by Tommy McKearney and others that it makes sense at present to ‘park’ the national question represents a genuine attempt to wrestle with this dilemma⁴⁷. Partition *as an abstraction* has little drawing power in nationalist working class communities, let alone on the other side of the divide. Socialists have to be aggressive in finding ways to link the day-to-day struggles of working people across the North to a forthright campaign to root out sectarianism. That means taking a lead in struggles against austerity and in defence of workers’ rights - in workplaces and estates, schools and universities. But it also means refusing to shy away from the difficult political questions thrown up by the

persistence of sectarianism, which - if not confronted - will paralyse any attempt to build a united resistance.

Beyond the hype that infuses most commentary about the bright new dawn in post-agreement Northern Ireland, the only substantive gain for those who want to change society here is the space opened up for building a fight for real equality that bridges the sectarian divide. In the past the Left has erred in one of two directions, veering either toward a watery economism that flinches from confronting sectarianism, or toward a version of left republicanism that writes off Protestant workers and postpones the project of building united, class-based action until some distant day after the national question has been resolved. Together the local establishment’s headlong plunge into neoliberalism and the depth of the crisis now confronting global capitalism open up new opportunities. But the Left will have to make the most of them now if we are to avoid being dragged back into the downward spiral of renewed sectarian conflict.

⁴⁷Tommy McKearney, *The Provisional IRA: from Insurrection to Parliament* (London: Pluto Press, 2011); ‘Interview with veteran socialist-republican Gerry Ruddy’, *Irish Revolution*, 24 Jan. 2012:<http://theirishrevolution.wordpress.com/2012/01/24/interview-with-veteran-socialist-republican-gerry-ruddy/>.