**Northern Ireland’s ‘Fresh Start’ agreement will bring short term stability but does not itself resolve the underlying problems**

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Alan Whysall discusses developments last week in Northern Ireland, arguing that the ‘Fresh Start’ agreement will bring stability in the short term but does not itself resolve the underlying problems. This blog follows up earlier posts outlining Northern Ireland’s current political difficulties here, and possible ways forward here and here.

After some months of stand off, and ten weeks of negotiations involving the main parties and the British and Irish governments, things moved quickly last week. A political deal on most of the problematic issues in the Stormont House Agreement (SHA) of last December, and more recent concerns about paramilitarism, was announced by the First Minister and deputy First Minister on Wednesday. The Assembly quickly moved on Thursday to give effect to it. Then the First Minister, Peter Robinson, announced his departure from that office and the leadership of the Democratic Unionist Party, probably around the turn of the year.

Immediate threats to stability at Stormont now appear to be averted, at least until after the Assembly elections next May. If, as appears likely, the DUP and Sinn Féin are again working closely together, a positive momentum in politics (as in 2010-12) may bring advances. But serious potential challenges lie ahead. And the ‘Fresh Start’ the deal claims to be will need a new approach to create the right political conditions.

Background

Implementation of the SHA had become entrammelled in continuing dispute over welfare issues, which threatened the Executive’s solvency. When a murder brought back into focus possible continuing activities of paramilitaries – especially the IRA, which is closely linked with Sinn Féin – the Ulster Unionist Party resigned from the Executive and the larger DUP, having failed to have the institutions suspended, stood down its ministers for most purposes.

An assessment of paramilitary activity, produced by the British security agencies and validated by three independent reviewers, was published on 20 October. It caused some controversy – it concluded that the structures of the IRA remained in existence in reduced form, with access to some weapons. But it also concluded that the IRA’s strategy had a wholly political focus, and that it was committed to the peace process. This calmed matters, and the DUP ministers shortly returned to their desks.

The Fresh Start agreement

The agreement is presented as the work of the First and deputy First Ministers, though the two governments also contribute forewords. The two other parties remaining in the Executive complained of being left out.

As with previous Northern Ireland agreements, there is much detail – 67 pages, which cannot all be discussed here. And as often there are commitments to various new bodies, task forces and plans, and an emergency bill at Westminster.

There is a statement of principles on the unacceptability of paramilitarism, to be reflected in the pledge of office taken by Northern Ireland ministers, and in an undertaking to be required of all members of the Assembly. Among other supporting actions, an international body will be appointed by the British and Irish governments to report on progress in ending paramilitarism. This appears to be a reflection of the Independent Monitoring Commission in place between 2004 and 2011, though without its powers to trigger consideration of exclusion of parties or people associated with paramilitarism from the Executive.

These steps may have reduced to the capacity of the paramilitary issue to destabilise the Executive for the moment, though it could clearly be shaken by future paramilitary activity.

Meanwhile the welfare issue is resolved, though in a way that underlines the political challenges it still poses. The Executive has agreed to fund a package worth £585 million over four years to ‘top up’ UK welfare arrangements, and alleviate the impact of tax credit changes. But, though Stormont has powers in the welfare field, a position the agreement does not change, it preferred not to exercise them. Rather, the Assembly agreed a legislative consent motion on Thursday covering a draft bill at Westminster and a very substantial Westminster draft order to be made under it embodying the changes. The bill went through all its stages in the Commons on Monday, and is due to clear the Lords today. This unusual procedure has presumably been followed because the politics of Northern Ireland parties being seen to give effect to welfare reform were too difficult: it is a substantial reversal, which Sinn Féin sought to justify on grounds that otherwise there would have been collapse of the institutions, and direct rule.

On wider Executive finances, the British government agreed to provide ‘financial support’ of around £500 million over the coming years. Much of this though is a renewal of supplementary funding for police anti-terrorist activity, and there is money to support various other anti-paramilitary measures.

The Irish government also commits to financial support, chiefly around road building that benefits parts of its territory.

The Executive meanwhile agrees to the establishment of an OBR-style Independent Fiscal Council for Northern Ireland, its membership to be agreed with the British government; and there will be Westminster legislation to prevent the Assembly considering spending beyond its resources.

In addition, a corporation tax rate (power to devolve the setting of which has already been taken through Westminster) of 12.5% is proposed from April 2018.

The Finance Minister was able to give comfort to the Assembly the day after the agreement that there would be a balanced budget for 2015-16, which had been much in doubt. That immediate threat to the Executive’s survival is thus removed, and the British Government will hope that the agreement, and the Independent Fiscal Council, will bring greater budgetary discipline, and hence political stability, in the future. But the continuing reductions in spending in London, which will be reflected in Northern Ireland through the Barnett formula, will pose continuing challenges. The reduction in corporation tax will cost the Executive several hundred million a year, and doubt is already being expressed about whether it is achievable.

On two other issues that have bedeviled politics in the last few years there was progress, though modest. On flags and related issues, there is a commitment to establish the commission proposed in the Stormont House Agreement by next March (that is, nine months late). On legislation to regulate parades, there is a commitment, without date, to bring a discussion paper to the Executive (it was originally due by last June). These remain very sensitive issues: doing other than long-fingering them is politically very difficult, quite possibly inflammatory.

But on the past, another core element of the SHA, there is no progress at all. The British government had agreed to take forward this work, and produced proposals for legislation; it appears some parties find difficult powers the Secretary of State would be given to prevent disclosure of material considered of national security significance. This issue will go on being an irritant, but it is not itself likely to cause serious instability.

Finally, on the institutional changes proposed in the SHA, there is progress, but again rather modest. A bill will be introduced in the Assembly this month to reduce its membership from 108 to 90, though not for the impending Assembly election. At the same time a bill will reduce the number of government departments from 12 to 9.

Attached to the agreement is the proposed protocol on the controversial petition of concern procedure, which effectively gives the DUP a veto on any Assembly proposal – used in recent weeks to defeat a proposal in favour of equal marriage in Northern Ireland, for which there was for the first time a narrow numerical majority. It is likely to be seen as distinctly limited in scope. There is also a statement of entitlements for those taking up an opposition role- again unlikely to be criticised as too far-reaching.

On the commitment to a new process for a more transparent and robust system for assembly members’ salaries and expenses, the Assembly Commission has apparently satisfied itself that the fundamental architecture is already sound. There are terms of reference for a Compact Civic and Advisory Panel (to replace the Civic Forum, which the FM and DFM could not agree to re-establish, though it is part of the original Good Friday Agreement); but no target date is set for its appointment (the SHA mentioned June 2015).

Some of these changes may be mildly useful to the effective operation of the institutions. None of them is critical to future stability. Significantly more radical change is at present not politically possible.

How far does the agreement solve the underlying problems?

The agreement brings stability in the short term. The importance of that is not to be underestimated. If the institutions had collapsed, which was a real possibility, putting them back together could have been very hard going – and in the meantime much of the good that has been done under devolution could have been lost. Northern Ireland could have gone seriously backwards.

The FM and DFM in their introduction present the agreement in grandiloquent terms: ‘a far-reaching and comprehensive framework for addressing some of the most challenging and intractable issues… [capable of] transforming how we support each other in overcoming our deepest divisions’. The substance does not quite match the billing. But the two largest parties appear to be set on working together better. They no doubt recognise the low public standing of the institutions (the DFM referred expressly to it), and may wish to position themselves going into the elections as working constructively and co-operatively – a pitch which seems to have benefited them both in 2011. So there may be a real prospect of something better than the stasis punctuated by crisis we have seen in the last three years.

Even if that is the intention, however, there is much that may derail it. The omissions in the agreement and the handing over to London of the work on welfare show the frailties of Northern Ireland politics. There is not a great deal yet to give heart that more positive and rational politics are on the way.

The settlement is still fragile. It is possible, though unlikely, that challenges may follow from changes in personnel: the FM will step down from his positions in a couple of months, and the likelihood is that different people will be selected as DUP leader and First Minister (very probably Nigel Dodds MP as leader, and Arlene Foster MLA, the current Finance Minister, as FM).

Some of the other forthcoming challenges were set out in earlier blogs. But, symptomatically of Northern Ireland politics, very little attention has been given to them.

The EU renegotiation is one. Leaving the EU potentially has vast direct and immediate impact on Northern Ireland, but there has been little debate. A brave attempt was made a couple of weeks ago to remedy this, with the launch of an organisation, EU DebateNI, to encourage discussion, with a research paper to help channel it. Sadly the media last week remained focused entirely on the immediate politics.

But involvement of new people and new capacity in setting the course for politics and developing public policy is surely essential to the promised Fresh Start. There are increasing signs that focused activity of this sort is emerging. We will blog about it further here.

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