Insuring Peace:
British Intervention in Northern Ireland After the Belfast Peace Agreement

By
Jack Bouchard

Thesis
Submitted to the Faculty of the
Department of History of Vanderbilt University
In partial fulfillment of the requirements
For Honors in History

April 2017

On the basis of this thesis defended by the candidate on April 21, 2017
we, the undersigned, recommend that the candidate by awarded HIGHEST HONORS
in History.

[Signatures]

Director of Honors – Frank Wcislo
Faculty Advisor – James Epstein
Third Reader – David Blackbourn
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Introduction: Insuring Northern Ireland’s New Peace

In the Protestant, Shankill community in Belfast, a mural commemorates the victory of William of Orange over James II in 1690 at the Battle of the Boyne.¹ This victory “secured the Protestant ascendancy”, and is still commemorated with marches and celebrations by members of the Orange Order, a Protestant fraternity formed in Northern Ireland.² While Catholics resent the Order and its marches, many Irish Protestant politicians are still Order members and continue to march.³ Facing this mural is a mural commemorating Stevie “Topgun” McKeag. McKeag, who died in 2000, rose to local fame and celebrity in the 1990s as the “best assassin” for Northern Ireland’s largest Unionist (Protestant) paramilitary. He killed at least 12 Catholics—mostly civilians.

In Shankill, the narratives of Northern Ireland’s conflict-ridden history and present are visually linked. Ireland was settled during the 16th century in brutal fashion; Elizabethan plantations were based on the violent confiscation of lands by Protestant settlers who had been encouraged to move to Northern Ireland to prevent Catholic uprisings.⁴ Especially in the northeast, these settlers enjoyed “political and economic ascendancy,” and felt themselves part of Britain. They came to identify themselves as Unionists.⁵ On the other side, the Catholic, native population was often suppressed and longed for an independent Ireland. They came to identify themselves as Nationalists. Their struggle for independence is long and violent, and the violence of the late twentieth century reaches back at least to the foundations of Sinn Féin in the

¹ Stock Photo - Lower Shankill Belfast Protestant/Loyalist mural celebrating William of Orange’s victory at the Battle of the Boyne in 1690
³ Ibid.
⁵ David McKittrick and David McVea, Making Sense of the Troubles: The Story of the Conflict in Northern Ireland (Belfast: Blackstaff, 2000), 2.
19th century. Sustained violence first emerged slightly later in the Irish War of Independence, 1919-1921. This war led to an independent Ireland, consisting of twenty-six counties, and a new six-county Northern Ireland created to enable the Unionist majority in the six northernmost counties of Ireland to remain part of the United Kingdom.6

In the new Northern Ireland, religion and national identification became inseparable. Protestant Unionists gerrymandered districts, and discriminated in housing and employment. Great Britain long implicitly supported this Protestant dominance by leaving governance of the new "country" to its Protestant majority.7 But in 1969, Catholic, Nationalist civil rights marches against years of discrimination and abuse at the hands of Protestant Unionists led to violent clashes with Unionists and police. The violence sparked by nationalism and religious difference led to the rise of Nationalist and Unionist paramilitary groups, who fought each other and terrorized non-combatants with miscellaneous violence, assassinations and bombings. The British sent in their own troops to intervene and protect the Catholic community. However, soon “many Catholics began to see the army as an oppressive force supporting unionist rule.”8 Britain was still seen by most in the Nationalist community, and especially by the Irish Republican Army, (IRA), as a “colonial power.” With no clear end to the violence, the British government assumed direct governance of Northern Ireland in 1971.9 That year alone 171 died. "The Troubles" were well under way.10

From 1969 to 1998, at least 3,532 people died in sectarian violence between Protestant communities, who felt Northern Ireland should continue to be a part of Great Britain, and Catholic

6 Ibid.
7 Ibid.
communities who wished Northern Ireland to join the Republic of Ireland. These deaths would be equivalent to over 700,000 deaths in a population the size of the US.\footnote{Northern Ireland’s number of deaths relative to average population between 1971 and 1991 (1,562,122) was .0022. Multiplied by a US population of 324m gives roughly 745,000 deaths. “US Census Population Clock,” “Northern Ireland Census 2011.”} In 1998, the Belfast Peace Agreement officially ended the Troubles.\footnote{Seamus Kelter, "Violence in the Troubles." BBC History, last modified February 2013, http://www.bbc.co.uk/history/topics/troubles_violence} In hopes of enabling each community to feel represented in and protected by government, this Agreement established a devolved, consociational government.\footnote{Ibid.} Consociational government is a system centered on four principles: each community shares in executive power, each community enjoys some autonomy in matters of cultural concern, each receives proportional representation in important institutions, and each holds the power to veto changes that adversely impact their “vital interests.”\footnote{Ibid.}

This thesis examines how British intervention in Northern Ireland after 1998 influenced the outcomes of this new consociational system until a modified version of the 1998 Agreement, the St. Andrew’s Agreement, was signed in 2007. Great Britain attempted to insure both peace and the possibility of joint governance by offering itself through its representatives as a second government ready to suspend temporarily the Irish government and insert itself if the new peace were threatened. This British "insurance" of peace protected the Northern Irish from the consequences of increasingly uncompromising political stances, in the process also unintentionally encouraging riskier behavior in Northern Irish politics—an insurance phenomenon known as moral hazard.

By analyzing Britain’s impact on Northern Ireland’s new government, this thesis builds upon other historians’ works, extending the period looked at from the 1998 Belfast Agreement through the St. Andrew’s Agreement. In focusing on the results of consociational government, my work serves as a case study for potential applications of a political science literature on
consociational government. Finally, it borrows terms from economic literature, insurance and moral hazard, as lenses to help better understand the consequences of Britain’s interventions.

The existing historical literature on Northern Ireland covers the Troubles in many different ways. Books such as David McKittrick and David McVea’s Making Sense of the Troubles use collections of interviews, speeches, and writings to provide general histories of the period—how it started, what happened, and how a new peace was finally achieved in Belfast. Other historians look closely into particular perspectives. Richard English’s Armed Struggle: The History of the IRA uses similar sources, but more interviews with members of the IRA to reveal the Nationalist paramilitary group’s perspective on, and role in, the Troubles. Henry McDonald and Jim Cusack have written similar in depth examinations of two Unionist paramilitary groups, the Ulster Volunteer Force and the Ulster Defense Association.

However, this present work is intended to complement a growing literature examining how peace was achieved in Northern Ireland through the 1998 Belfast agreement. Hoping to understand what went wrong before 1998, some of this literature focuses on early failures in the peace process, especially the short-lived Sunningdale Agreement, such as Thomas Hennessy’s 2015 work, The First Northern Ireland Peace Process: Power Sharing, Sunningdale, and the IRA Ceasefires, 1972-1976. In it he examines other historians’ interpretations of Sunningdale, including the insights of Peter McLoughlin, Shaun McDaid, Michael Kerr, Tony Craig, Robert

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17 McKittrick and McVea, Making sense of the troubles.
19 Jim Cusack and Henry McDonald, UVF (Dublin: Poolbeg Press, 1997).
White, and Naill Ó Dochartaigh. Other historians have chosen to examine the key actors in the more successful Belfast Agreement. Graham Spencer’s *The British and Peace in Northern Ireland* offers an account of how British officials and civil servants worked to help achieve the Belfast Peace Agreement. Thomas Hennessy, in addition to his work on the Sunningdale Agreement, examines how the Belfast Agreement was reached in *The Northern Ireland Peace Process: Ending the Troubles*.

This work is intended to build on the historical literature’s interest in understanding peace in a society with fractures and sectarian tension by extending historical analysis of the peace process out to 2007. Most of the works cited above were published before 2007. McKittrick’s general history of the Troubles, for instance, leaves only 16 pages for the period from 1997 to 2000. However, while the Belfast Agreement provides a major turning point in the narrative of Northern Ireland’s efforts for peace, the problems of the Troubles did not disappear at that moment. The Belfast Agreement itself lasted less than a decade. In reaching out further this work explores the continued efforts to sustain peaceful governance under the terms of the Belfast Agreement culminating in the St. Andrew’s agreement of 2007.

There are other works that reach farther out in time. These are, for the most part, memoirs and biographies. Books on or by David Trimble, John Hume, Ian Paisley, Peter Mandelson, and

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Tony Blair all discuss Northern Ireland after the Belfast Agreement. These bring the opportunity for added depth to a study of Northern Irish politics. The works provide explanations of motivation and insight into private conversation that cannot be found elsewhere. However, each by its nature is a singularly subjective account, and the period after 1998 is not the sole focus of any of these texts. Works by Blair and Mandelson examine a broad spectrum of British politics, while those memoirs dealing solely with Northern Ireland study the 1998 peace process more intently than the years that follow. This thesis, while still focused on a particular lens for understanding the peace process—the effects of British intervention on the new consociational government—adds to this literature by providing a more distanced and detailed analysis of how political events unfolded after 1998.

The particular perspective itself is designed to contribute not just to the historical literature, but also to the extensive political science literature that examines Northern Ireland as an example of the results of consociational governing. This work's analysis attempts to negotiate the methodologies of the historian and the social scientist, aware of the limitations of both, but offering a synthesis that produces something that is sensitive to the peculiarities of the Northern Irish case, and with an eye to the more general problem of consociation.

Various authors have hoped to discover whether or not consociational government might be a successful model of governance. Some political scientists argue that consociational government only strengthens divisions by institutionalizing divisions into government. They fear that since each opposition party only needs to appeal to its bloc of voters, parties will become increasingly radical and less willing to compromise with other parties. This is referred to in the literature as “ethnic outbidding.” However, other political scientists argue that consociational governments provide the best solution for bringing together two disparate groups in one democratic system. Their hope is that consociational governments can create a peace that then brings the two communities closer together, and ultimately allows the divisions to disappear.

Between these extremes, lie many other points of view projecting some combination of these outcomes, seeing, for instance, a government producing more moderate, but less compromising parties.

Political scientists in their analyses have turned to statistics, to the language used by political parties, and to electoral results to understand the effects of consociational government. However, throughout the literature, many writers either debate only in theoretical terms or have proven eager to find ways to generalize from the results of their inquiries into consociational government in Northern Ireland in order to model consociational government as a general solution for communities driven by ethnic, national, or sectarian divides. When scholars have generalized from the Northern Irish experience, they have consistently ignored an important qualification to the general applicability of Northern Ireland’s consociational government. This consociation happened in a Northern Ireland without genuine independent government, since Northern Ireland

29 Hayes and McAllister, Conflict to Peace, 1-22.
31 Hayes and McAllister, Conflict to Peace. Mitchell et al, "Extremist outbidding"
remained a part of the United Kingdom. The closest a study comes to acknowledging the importance of this reality is *Consociational Theory, Northern Ireland’s Conflict, and its Agreement. Part 1: What Consociationalists Can Learn from Northern Ireland* by John McGarry and Brendan O'Leary. There is a section, the “Neglected Role of External Actors in the Promotion and Operation of Consociational Settlements,” that examines the role of certain external bodies on Northern Ireland’s ongoing processes. McGarry and O'Leary use as an example the role of the international independent monitoring commission in Northern Ireland that supervised decommissioning of paramilitary weapons. But this article, as all the others have, overlooks the more obvious role of the British government.

Examining the ways that British influenced the course of Northern Ireland’s new consociational government provides a case study on the results of consociational government that takes into account Northern Ireland’s unique circumstances. The analysis uses a combination of political speeches, laws, and party manifestos to help explain the impact of British interventions into Northern Irish governance on the behavior and strategies of both Northern Irish Catholic, Nationalist and Protestant, Unionist politicians. Many of these sources are made available online through the Conflict Archive on the Internet (CAIN). This archive, hosted by the University of Ulster, collects source material on the Troubles and Northern Irish politics and society from 1968 through the present. Statistical survey data, especially the Northern Ireland Life and Times Survey, further enriches the narrative. This yearly survey undertaken by Queen’s University Belfast and the University of Ulster examines the changing perceptions and conditions of life in Northern Ireland from 1998-2007.

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Only once the effects of Britain’s influence are taken into account can Northern Ireland's consociational government, in and of itself, be studied, and perhaps used as an example from which to draw general conclusions about consociational government. Moving towards this goal, the essay's first chapter develops a comparison between British intervention and the concept of insurance that is returned to throughout the thesis. The chapter examines how Britain intervenes, arguing that it acts as a secondary, insurance government whenever consociational government in Northern Ireland stalls. The chapter then looks at how the British interventions overcome political impasses in order to help maintain peace and the hope for a successful independent government in Northern Ireland.

Chapter 2 considers the possibility that intervention itself might have helped encourage the same political impasses it also solved. The chapter explores this possibility by returning to the insurance analogy and exploring the role of "moral hazard" in insurance from economic theory. It assesses changes in well-being to determine whether, as predicted by moral hazard, British intervention to insure peace in Northern Ireland created incentives for Northern Ireland’s political parties and their constituents to engage in risky, uncompromising behavior by lessening the costs to society of this behavior. The chapter then uses election data, political speeches, and party manifestos to track how those negative incentives affected Northern Ireland’s internal political environment. Ultimately, the conclusion balances the costs of British intervention's introducing moral hazard into the Peace Agreement with the benefits of British interventions on the peace process. This assessment is then used to critique current discussions of Northern Ireland’s consociational government, as well as to offer insight into the importance of outside government involvement in the success or failure of future consociational agreements.
Chapter 1: The British Insurance Policy

If Great Britain had little to do with the course of Northern Ireland’s politics after the peace agreement in 1998, then Northern Ireland might be used as a straightforward example of the effects of independent consociational government. However, Great Britain intervened in the government of Northern Ireland many times after 1998. This chapter will examine the moments when British rule replaced the execution of the consociational government—the times that the Secretary for Northern Ireland Affairs suspended Northern Ireland’s devolved government. These moments reveal when, why, and how the British exercised their powers. Better understanding these interventions serves as the first step towards understanding how this complication in Northern Irish politics altered the results of the peace agreement, and the development of the consociational government that had been established.

Part 1: Reaching the Belfast Agreement

The first attempts of Great Britain to intervene, with the help of the Republic of Ireland, to resolve the Troubles began well before 1998. In 1973, Catholic Nationalists and Protestant Unionists, together with Ireland and Britain, attempted to stem the rising violence (492 died in 1972) by reaching a compromise. ¹ This compromise, the Sunningdale Agreement, was implemented in 1974. The Agreement, a compromise between moderate Nationalists, the Social Democratic Labour Party (SDLP), and the principal Unionist party, the Ulster Unionist Party (UUP), shared important elements with the later Belfast Peace Agreement. Sunningdale provided for a power-sharing executive government with both Nationalists and Unionists, and an all-Ireland

Council with members from Northern Ireland and the Republic of Ireland.\textsuperscript{2} However, the Sunningdale Agreement failed to gain the support of the IRA, and never reached majority Unionist support. A major Unionist strike in 1974 against the new government forced its collapse.\textsuperscript{3}

Two more decades of violence passed before a new peace agreement, the Belfast Agreement, was negotiated in 1998. Out of the violence of the Troubles emerged seven groups that played major roles both in and after the Belfast Agreement. These major players included the British Parliament, the Republic of Ireland, the Provisional Irish Republican Army (which in the Northern Irish context will simply be referred to as the IRA), Sinn Féin, the Social Democratic Labour Party (SDLP), the Ulster Unionist Party (UUP), and the Democratic Unionist Party (DUP).

Cooperation between the British government and the Republic of Ireland helped drive the Belfast Peace Agreement. With the Sunningdale Agreement, the two governments had attempted to work together, but the Republic of Ireland had been unwilling to surrender its constitutional claim to Northern Ireland.\textsuperscript{4} By 1998, it was willing to do so. Over the course of the years, the two governments had developed a better understanding and trust of one another. In particular, the Anglo-Irish Agreement negotiated in 1985 marked a turning point in relations between Great Britain and the Republic of Ireland. For the first time, Britain allowed the Republic of Ireland an advisory role in governing Northern Ireland.\textsuperscript{5} As the Irish Taoiseach (effectively the Republic's prime minister) would later explain, “change from a position of polarized attitudes to one of common purpose has been the fundamental change of Anglo-Irish relations in the last twenty years.”\textsuperscript{6} In the years after 1985, British and Irish cooperation continued to strengthen as the two governments worked together towards the common purpose of creating peace in Northern Ireland.

\textsuperscript{2} Ibid.
\textsuperscript{3} Ibid.
\textsuperscript{4} Ibid.
\textsuperscript{5} McKittrick and McVea, \textit{Making Sense of the Troubles}, 149-166.
\textsuperscript{6} McKittrick and McVea, \textit{Making Sense of the Troubles}, 162
The decisions of radical Nationalists, often called Republicans, were particularly affected by this shift in relations. The most powerful Republican paramilitary group was the IRA. A splinter group of the original IRA that fought in the War of Irish Independence from 1919-1921, this new incarnation framed its struggle within the context of “800 years” of British colonial aggression. From 1969 to 1998, nearly 1800 people, including 491 Protestant and Catholic civilians, died as a result of their attacks on Unionist paramilitaries, police, and British soldiers.

British attempts to quell this violence unilaterally and through military might had only further convinced the IRA of the need for their struggle. Regardless of British government’s stated original intention, the 300,000 British soldiers that served in Northern Ireland fit well the narrative of colonial aggression. British soldiers killed more than 300 individuals, over half of them civilians—most infamously on Bloody Sunday in 1972.

Rather than military might, it took a joint declaration to begin to change the strategy of the IRA. Violence was first temporarily suspended after the British and Irish governments released the Downing Street Declaration of 1994. The Downing Street Declaration affirmed the right of self-determination through popular vote for Northern Ireland. Unfortunately, negotiations and the ceasefire based on this declaration collapsed in 1996 after the IRA refused to decommission—to destroy their weapons—before radical Nationalist parties were included in negotiations. The next year, the ceasefire was reinstated when the new Prime Minister, Tony Blair, accepted the IRA position. By 1998, conditions were ripe for negotiations that ultimately led to the Belfast Agreement.

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7 Quote from hunger strike mural on Sinn Féin headquarters in Belfast.
8 Sutton, “An Index of Deaths from the Conflict in Northern Ireland”
9 Kearney, “Security forces in the Troubles.”
10 McKittrick and McVea, Making Sense of the Troubles, 196-198.
12 McKittrick and McVea, Making Sense of the Troubles, 214-222.
The party that represented the radical Nationalist position in the Belfast negotiations, Sinn Féin, had long been a partner of the IRA. Originally established as the political and propaganda wing of the IRA, Sinn Féin graduated its connections to the IRA under the leadership of Gerry Adams. In 1981, a hunger strike by IRA prisoners increased radical Nationalist popularity, and changed Sinn Féin from “little more than a flag of convenience for the IRA into a political organization with a life of its own.”\(^\text{13}\) An unnamed senior Sinn Féin member described the Anglo-Irish Accords as a second “pivotal” moment that changed how Sinn Féin viewed the British.\(^\text{14}\) He said this moment proved, “London could be shifted.”\(^\text{15}\) In response to this apparent shift in Sinn Féin perception, Gerry Adams’ faction convinced party members to take their seats in government for the first time, rather than refuse to sit with the legislature. This marked a vital step towards exploring ways to work through the ballot box—through non-violent means rather than through the violence of the IRA.\(^\text{16}\) In the following years, Sinn Féin, led by Gerry Adams, increasingly found itself not only active in government, but also by 1990 active in secret talks with the British and Irish governments aimed at finding satisfactory, peaceful compromise between Nationalists and Unionists.\(^\text{17}\)

During this transition, Gerry Adams also began to discuss the Nationalist position with John Hume, the leader of the more moderate Nationalist party, the SDLP. The SDLP had long sought to end the Troubles and work through legal, electoral means to enact change.\(^\text{18}\) John Hume, for instance, represented the Catholic, Nationalist cause at the Sunningdale talks. Over time, he helped encourage Irish-British relations by working with Taoiseach Fitzgerald to set forth a new perspective within Nationalism that portrayed the British as a neutral force rather than an

\(^{13}\) McKittrick and McVea, *Making Sense of the Troubles*, 158.
\(^{16}\) English, *Armed Struggle*, 227-262
imperialist enemy. Britain and Ireland, urged Hume, could work towards a common goal of peace in Northern Ireland. Then, in the late 1980s, Hume began to work together with Gerry Adams to develop a potential peace agreement that might satisfy the demands of Sinn Féin, while also remaining sufficiently appealing to Unionists. Over the course of the 1990s, the two released a series of joint-statements aimed at advancing peace talks and clarifying the demands of the Nationalist cause. When the Belfast Peace Agreement was ultimately finalized, Hume received a Nobel Prize for his efforts.

The other recipient of the prize that year was his Unionist counterpart, David Trimble of the UUP. The UUP had long been the largest Unionist, Protestant party. Until David Trimble’s tenure as head of the UUP, the party had rejected any form of power-sharing government. The Anglo-Irish Agreement that helped change the perspective of Nationalists outraged Northern Irish Unionists. Violence from Unionist paramilitaries spiked, and Unionist politicians refused to meet British government ministers. The Unionists continued to resist attempts at negotiation, and when a year into the first IRA ceasefire, Trimble was elected to lead the UUP, he was considered “the most hardline” of the candidates. His surge in popularity came after his role in leading a contentious Orange Order march through a predominantly Catholic area. Many feared that Trimble would not engage in the peace process. However, he proved willing to follow the lead of British Prime Minister Tony Blair. Blair went to great lengths to include Trimble, even consulting with him on his first speech as prime minister. In large part because of this relationship, the

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UUP entered peace talks in 1997 even without IRA decommissioning. This compromise was the final development that made the Belfast Agreement possible a year later.  

In fact, the only major party to hold out from this agreement was the more radical Unionist party, the DUP. This party, founded in 1971 by Ian Paisley—a Presbyterian reverend who habitually called the Pope the antichrist—represented Unionists who refused to cooperate with Catholic Nationalists.  

Ian Paisley and the DUP organized a coalition of anti-agreement Unionists that in 1974 overtook the UUP in popularity as they worked to end the Sunningdale Agreement. His position on negotiation had hardly changed by the 1990s. He proclaimed after the first ceasefire in 1994: “We cannot bow the knee to these traitors in Whitehall, nor to those offspring of the Vatican who walk the corrupted corridors of power.” His resistance consistently posed a serious threat, since his anti-Agreement position again brought the DUP popularity amongst a Unionist population split on the merits of the Belfast Agreement.

Part 2: The Belfast Agreement

The Belfast Agreement was completed in 1998 with the help of the British, the Republic of Ireland, and the United States, which offered Senator George Mitchell as a mediator. The completed document stated a set of conditions for a new, devolved government. The conditions most creatively designed to gain cross-community support structured new institutions that modeled what theorists label consociational governance. In the design of Northern Ireland’s consociational structure, the most popular Unionist party and most popular Nationalist party each

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26 Ibid.
31 Ibid.
were to appoint a member to the head of the executive—first minister in the case of the Unionist party, deputy first minister in the case of the Nationalist party. Despite the slightly different titles, these two leaders were to hold the same powers. This concept of balance, or of mutual governance, was to be reflected throughout the Assembly: unless at least 40% of the other bloc voted for the measure along with 60% of the entire Assembly, one bloc could not pass a measure without a majority of the other bloc. The goal of this system was to prevent a Nationalist or Unionist majority from dominating the executive and passing laws that benefited one group at the expense of the other. Moreover, all major parties were to be included in government. The chairs and deputy chairs for each executive function, and for ministerial positions below First and Deputy First minister, were to be assigned based on a mathematical formula that proportionally allocated executive positions across all parties.\textsuperscript{32}

The 1998 Belfast Peace Agreement also set out the rules for the relationship between Northern Ireland and the British government. “Northern Ireland in its entirety remain[ed] part of the United Kingdom.”\textsuperscript{33} The key policy subsections of the agreement are: equality, policing, prisoners, criminal justice, violence, and security. Sections on “policing and justice” and “rights, safeguards, and equality of opportunity” were meant to appeal to Catholics (who had lived with institutional discrimination, and abuse at the hands of the police), while sections on “decommissioning” and “security” were meant to appeal to Unionists, who lived in fear of continued Nationalist violence. In all these matters, Great Britain at least “reserved” power—meaning that Assembly could legislate in these areas only “with the approval of the Secretary of State and subject to Parliamentary control.”\textsuperscript{34}

\textsuperscript{33} “The Belfast Agreement,” 4.
\textsuperscript{34} “The Belfast Agreement,” 22-24.
Moreover, concerns about how much responsibility the new Northern Ireland Assembly would be able to effectively handle immediately, meant that key policy initiatives were often kept separate from government. Equality commissions, for instance, were separate from government; and the Secretary of State for Northern Ireland asserted that “policing is not a partisan issue to be traded,” when explaining why suspension would not halt progress on issues of equality, such as police reform.\(^{35}\) Similarly, prisoner release continued regardless of whether or not there was a functioning Assembly, and Britain maintained its military presence to protect against violence. In addition, Northern Irish finances, currency, business regulation, national defense, international relations and trade were all managed by Great Britain.\(^{36}\) The 1998 Agreement then, while providing the citizens of Northern Ireland some control over governance, left many of the most important areas of governing under the supervision of the British.

In order to exercise power without again provoking violence from Catholics, the British needed the support of the Republic of Ireland in the south. According to Secretary of State for Northern Ireland, Peter Mandelson, the British “no longer think in terms of an 'Irish dimension', to be tacked onto internal Northern Ireland policies. The Irish Government and the Irish people have played a crucial role."\(^ {37}\) It was only by working together over many years, and eventually with the assistance of United States, that the United Kingdom and the Republic of Ireland convinced the parties in Northern Ireland to sign a peace agreement. The Belfast Peace Agreement of 1998 explicitly provided for a system of international cooperation designed to move Northern Ireland away from violence. It not only established a power-sharing, consociational agreement between Catholics and Protestants within Northern Ireland, but also instituted a power-sharing oversight

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\(^{37}\) “Mandelson: ‘I hope that the suspension will be short’”
between the Irish-Catholic and British-Protestant international powers beyond Northern Ireland’s borders.

The Agreement formalized a role for the Republic of Ireland in addition to the role of Great Britain, by establishing both Great Britain-Republic of Ireland and North-South Ministerial councils. The former Council would “promote positive, practical relationships among the people of the islands.” The latter Council would work on shared issues such as trade and immigration. Citizens of Northern Ireland were now also allowed to choose British citizenship, Irish citizenship, or both. From the moment of its institution, then, the new Northern Irish system was more than a consociational party system within Northern Ireland. Both Great Britain and the Republic of Ireland would monitor events within the country and help guide policy.

However, the main focus of this thesis is a 1999 addition to the Agreement, a power added to British oversight. Through the Northern Ireland Act 2000, Britain proposed and eventually instituted a policy whereby the British could temporarily suspend Northern Ireland’s devolved government without dissolving the Belfast Agreement. Through this Act, even the powers that had been left to Northern Ireland could be assumed by Britain’s Secretary of State for Northern Ireland and his or her Northern Ireland Office. The Secretary of State and the Northern Ireland Office would, in this case, run the ministries usually run by the Northern Ireland Executive government. They could also pass laws, mimicking the working of the Northern Irish Assembly, through votes in the British parliament. The external system surrounding Northern Ireland would not only be able to guide Northern Ireland, but would also have the power to directly intervene if the new consociational government appeared close to collapse. This section explores

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40 “The Belfast Agreement,” 4
how the British-led interventions were instituted to preserve the new internal workings of Northern Ireland.

Part 3: Distrust and Stubbornness Remains

Understanding why the British created the power to suspend the government begins to reveal the challenges of creating and sustaining consociational government—and the way Great Britain, as an outside agent, hoped to overcome threats to the Peace Agreement. In many ways the signing was just a first step towards a functioning peace agreement. Moving from the Belfast Agreement to a functioning government based on the Agreement required that a majority in both Northern Ireland and in the Republic of Ireland voted to approve the agreement. It was not until December, 1999 that the first elected Northern Irish government took office; and the period between the 1998 signing and the first day of government was fraught with tensions that threatened the Agreement.

Much of that tension emerged from what scholars, and Tony Blair himself, identified as “constructive ambiguity” designed into the document as a device to achieve majority support.42 Historian Arthur Aughey dedicated a chapter of his book to this idea, examining “the noble lie that would, it was hoped, secure the new condition of peace.”43 The most controversial and debated ambiguity inherent in the Agreement was a clause on decommissioning. Blair refers to decommissioning in his memoir as the “the real bugbear.”44 The clause asserted that all signees must work in good faith towards a two-year timetable, but placed this timetable within the

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“context of the implementation of the overall settlement.” Protestant Unionists reading the Agreement in 1998 and 1999 focused on the two-year timetable, arguing they had “honoured every commitment we made on 10 April 1998,” while “Republicans have refused to even acknowledge their obligation to disarm.” Catholic Nationalist arguments focused on the “context” clause. For Nationalists, decommissioning arms could only begin after the executive was elected and the British Parliament officially granted the Northern Irish government devolved powers. By refusing to start the government after the 1998 Assembly elections, Unionists, in the Nationalist's minds, had “reneged on the commitments” of the deal, and needed to show commitment to the new democracy and to the terms of the deal before the IRA would begin to disarm.

The British originally used the ambiguity as a way to enable different groups to understand the process laid out by the agreement in different ways, so that the agreement would maximize its appeal to all groups. At first, this enabled an apparently smooth transition. The referendum on the agreement, held in May, 1998, garnered 71% support in Northern Ireland; and the Northern Ireland Assembly was elected on schedule in September of 1998. However, actually establishing this new government revealed that ambiguity hid remaining disagreements and misunderstandings. Fights over the timing of decommissioning the Irish Republican Army stalled attempts to create an executive body, and would remain a point of contention throughout the years of the Belfast Peace Agreement. Both Protestants and Catholics could find justification for their own interpretations of "decommissioning" in the vague language of the Agreement.

Each side’s stance was hardened by years of accumulated distrust, as well as structural imbalances in the relations between Northern Ireland’s two communities. Constructive ambiguity now appeared to the Northern Irish political parties as a “calculated strategy to betray.”\(^{49}\) For Unionists, the second largest Nationalist party, Sinn Féin, represented an especially untrustworthy peace partner. While Sinn Féin had begun as far back as the 1980’s to move away from promoting straightforward IRA propaganda,\(^{50}\) many still rejected Sinn Féin's claim that in 1998 it was longer part of the same organization as the IRA. Tony Blair writes in his memoir, “When Gerry [Adams] and Martin [McGuiness] would say they would have to talk to the IRA about something, the joke was always they could look in the mirror and ask.”\(^{51}\) While Blair ultimately realized there was a distinction between the two groups, the DUP firmly believed this narrative, and referred to Sinn Féin as the “IRA/Sinn Féin.”\(^{52}\) Concerns abounded that Gerry Adams also truly led the IRA.\(^{53}\) Sinn Féin leaders were responsible in Unionist eyes for directing violent IRA attacks against Unionist communities. Memories were long-lasting in Northern Ireland and easily reinforced such beliefs. In 1993, Gerry Adams had helped carry the coffin of an IRA paramilitary terrorist who died after the bomb he was carrying exploded prematurely. That bomb killed 9 Protestants, including two children, and injured over 50 others.\(^{54}\)

Such images increased Adams’ connection to the “armalite” aspect of the joint “armalite and the ballot box”\(^{55}\) strategy Sinn Féin and the IRA had pursued for years. Unionists now had to believe that this strategy, which had successfully brought Gerry Adams to a position of power,

\(^{49}\) Aughey, *The Politics of Northern Ireland*, 3
\(^{50}\) English, *Armed Struggle*, 227-262.
\(^{52}\) “A Selection of Political Party Manifestos – DUP Fair Deal, 2003” CAIN Web Service
\(^{54}\) Ibid.
would not continue—that all parties would be “fully committed to peaceful means.” Unionists feared that if they moved first and joined the new executive government, then there would be “no certainty that the IRA will decommission after gaining power in the new executive, and few details on what timetable will be expected of the IRA.” If the IRA did fail to disarm, Unionists feared creating the executive would create "a mafia state" where one might see a “Sinn Féin health minister in charge of anti-drugs policy, while associates in the IRA used armed force, perhaps even on ministerial advice, to exploit the supply of illegal drugs.”

Nationalists, on the other hand, had to trust Unionist leaders who had long encouraged and maintained a discriminatory system against Catholics in Northern Ireland. Only a relatively small majority of Unionists even wanted a consociational agreement. Only 3 percentage points separated the UUP (in favor of the agreement), and the DUP (against the agreement) in the 1998 Assembly election. Apprehensive about such limited Unionist support of the new government, Nationalists were reluctant to trust Unionist leaders to follow through on their promised cooperation in governing and pursuing equality under the new government. This would mean trusting leaders such as Ian Paisley, head of the more radical DUP, who called the Agreement "the greatest betrayal ever foisted by a unionist leader on the unionist people!"

Even David Trimble, leader of the more moderate UUP, had risen to fame by helping lead a parade of those Tony Blair called “the unreasonable of the unreasonable of the unreasonable.” Many initially feared Trimble's election would end the peace process, and so it was extraordinarily difficult to believe that, if the IRA decommissioned, Unionists would follow through on promised

58 Ibid
60 Ibid
61 Blair, A Journey, 161.
measures of equality. Nationalists feared they would be betrayed and Unionists would look to maintain their position as an oppressive, dominant, privileged group. Since Unionists held all the privileges of Northern Irish society, Catholics felt they had little leverage in improving their lives other than the threat of IRA violence.

All these concerns of both Nationalists and Unionists were heightened by structural uncertainty about the IRA. The most popular Nationalist party had no link to the IRA, and so even though the SDLP wished the IRA to decommission, it had little power or influence to start that process. As Tony Blair put it, “the big prize was plainly an end to violence, and they [the SDLP] weren’t the authors of the violence.” The only group that seemed able to exert some influence on the IRA was Sinn Féin. But Sinn Féin argued it was no longer connected to the IRA, and IRA actions were not part of Sinn Féin's “good faith.” Unionists, as mentioned earlier, refused to believe this. Moreover, the IRA suffered from its own internal divisions. Three months after the Belfast Agreement, dissident paramilitaries killed 29 in the single deadliest attack of the Troubles. The IRA could not control all Nationalist paramilitary violence.

With this uncertainty remaining after the Belfast Agreement—which itself had created uncertainty about the timing of disarming—neither Unionists nor Nationalists were willing to move unilaterally. Unionists would not start the government without decommissioning, and the IRA would not decommission without the rest of the Agreement implemented. The deal let both sides claim that they were following the agreement they signed. According to Sinn Féin president Gerry Adams, this stalemate of distrust and divergent legal interpretations threatened to undermine

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62 Ibid
the agreement. A very different history of consociational government might have been written in which even its system of shared power could not overcome years of distrust and the imprecision in the language of a peace accord.

The Blair government realized that something had to change to implement the Agreement, and in July of 1999 they released their solution. This solution involved a “failsafe clause,” whereby “if commitments under the agreement are not met, either in relation to decommissioning or to devolution, they [British government] will automatically, and with immediate effect, suspend the operation of the institutions set up by the agreement.” This power of intervention was later formalized in the Northern Ireland Act 2000. Through this promise to intervene, Great Britain allowed the Unionists to start government without the IRA disarming first. Over the remainder of 1999, in anticipation of the start of government, the sides established a new, more concrete, first step towards decommissioning. The executive would be established and the IRA promised it would then “enter discussions” with an Independent International Commission on Decommissioning (IICD). If Unionists felt this promise had not been kept, they would push to suspend the government. The power to intervene, then, would help to overcome the unforeseen effects of the constructive ambiguity, the lack of clarity, in the original document by providing each side with a way to make the first compromise and continue to maintain leverage.

Part 4: Implementing the Insurance Policy 2000

Unfortunately, this compromise did not resolve the issue of decommissioning. Rather, the running disagreements that led to the British promise of intervention highlight a theme that

67 “UNITED KINGDOM: NORTHERN IRELAND ACT 2000.”
continued to develop and drive British intervention. The vagaries of the original 1998 document that were useful in its initial acceptance by both communities left wiggle room that, when combined with distrust, invited disagreement and potential stalemate. Two months after the new government had taken office in December 1999, the decommissioning issue arose again. A report at the end of January by the Independent International Commission on Decommissioning, while highlighting that IRA arms had not been used recently, also stated that, “to date we have received no information from the IRA as to when decommissioning will start.”69 This phrase, although positioned after praise for the IRA’s continuing restraint, ignited Unionist anger and fears.

Unionists understood that the IRA had agreed to start disarming once the Northern Ireland executive was established. Sinn Féin, on the other hand, argued that while the IRA had been persuaded to meet with the IICD once the executive was created, “There was no question of this [the executive] being for a conditional period.”70 Sinn Féin, that is, claimed they did not believe that the government had been established on the condition of immediate decommissioning. David Trimble, the First Minister and leader of the Ulster Unionist Party issued a statement five days after the Sinn Féin response asserting that this was simply not true—that the Unionists had “jumped” and the Republicans (the radical Nationalists) had not followed suit; and he declared he would resign.71 Only two months after the formation of the consociational government, it appeared that the new agreement, even with 71% support only a year and a half earlier, would fall apart. As David Trimble, the leader of the Unionists glumly put it, “the hopes of a new generation will have been cruelly dashed” if this peace failed.72

72 Ibid
Peter Mandelson, the British Secretary of State for Northern Ireland, agreed. The institutions collapsing so quickly would demonstrate that Nationalists and Unionists simply were unable to work together. If the Unionists were allowed to resign as they had threatened, this would force a new election through which the same parties would be elected, but the “pro-agreement position amongst Unionists would have crumbled.” There was a precedent Mandelson saw for such a collapse. In a speech on February 4th, 2000, he provided a cautionary tale by quoting an “elder statesman” discussing the need to protect the potential for peace provided by the new agreement. He then revealed this was said in 1973 in reference to the budding Sunningdale negotiations.

In 1974, the Sunningdale Peace Agreement was in fact signed, but it failed soon afterwards in the face of widespread Unionist opposition. That failure was “still fresh” in the minds of many, with one politician referring to the Belfast Agreement as “Sunningdale for slow learners.” Once the Sunningdale agreement collapsed, it took another twenty-four years, and 2,259 deaths to find the way to a new agreement. Mandelson, however, proclaimed that the Belfast Agreement would not share this fate. In the first place, he argued the Agreement was “more robust than Sunningdale. Its institutions are more inclusive, more democratic. Its roots in the community go deeper.” Perhaps even more importantly, he proclaimed that “we have learned the lessons of Sunningdale.” With the Sunningdale Agreement as his example, Mandelson invited his listeners to “imagine” what would happen if the Belfast Agreement failed. He painted an image of “30 more years of sectarian division; 30 years of direct rule; 30 years of high unemployment, low

74 Ibid.
76 Ibid
investment and sympathy, but not respect, in the eyes of the world.”\textsuperscript{77} And just as the Belfast Agreement and Sunningdale shared so much, so too “the Agreement that would emerge from that lost generation would be, give or take the odd dot and comma, exactly the same as the one we have today. Only the wounds will be deeper; the trust harder to build and the people more cynical than ever about the capacity of their politicians to represent them.”\textsuperscript{78} To ensure the 1998 accord would not collapse, Mandelson suspended the new institutions on the brink of Trimble’s resignation.

However, if the British intended to intervene to insure the valuable peace, they had to persuade the citizens of Northern Ireland, especially the Nationalists, that this was in fact a protection of the peace and not a seizure of power. The insurance had to be a better alternative than the danger it forestalled. In 1999 the IRA stated, “it remains our view that the roots of conflict in our country lie in British involvement in Irish affairs.”\textsuperscript{79}

The Blair government responded by attempting to convince Nationalists that the government was an impartial mediator—a force resisting only the uncertainty of a broken deal and the potential for more violence. The language the British government used, the inclusion of the Republic of Ireland and the United States in negotiations, and the legislation they had passed in the 15 years prior to 2000 were crucial to the development of their new role in mediating a peace. British governments had begun working more closely with the Republic of Ireland, for instance, after the British-Irish Accords of 1985. By 1993, the British Prime Minister and Republic of Ireland’s Taoiseach were issuing joint statements on Northern Ireland.\textsuperscript{80} Peter Burke, the Secretary of State for Northern Ireland in the early 1990s, developed a new discourse as well to

\textsuperscript{77} “Speech by Secretary of State, Peter Mandelson to the Institute of Irish Studies, Liverpool, 4 February 2000,”
\textsuperscript{78} Ibid.
directly engage Nationalists. He became the “first Northern Ireland Secretary since the 1970s to entertain the idea of talks with republicans.”81 Secret government-sanctioned contacts with Sinn Féin began in 1990 and Peter Brooke publically declared that Britain had no "selfish strategic or economic interest" in Northern Ireland.82 If the people of Northern Ireland chose to join the Republic of Ireland, Britain would not fight that choice.

The inclusion of the Republic of Ireland and extreme Nationalists in the political process helped lead to the 1994 IRA cease-fire. The Belfast Peace Agreement itself ensured that whether or not Northern Ireland remained part of the United Kingdom would be settled by a vote, and not by any insertion of military power. When Peter Mandelson intervened in 2000, he looked to promote Britain's emerging new role and shape a new Irish perception of that role. He hoped to show himself as a fair arbitrator between the two sides expanding upon the language used leading up to, and in, the Belfast Agreement.

Despite successive British governments’ many attempts to demonstrate its neutrality, this was still in some ways an impossible task. British political history made it difficult to convince even Unionists that the British government was impartial. Tony Blair recalled, the “Labour Party policy had for years been to try to negotiate a peace deal between Unionists and Nationalists on the grounds that we believed in a united Ireland,” which “wholly alienated Unionist opinion.”83 Tony Blair changed that policy, and worked together on Northern Ireland negotiations with members of the Conservative party. Conservatives had traditionally supported Unionists, but had since led the push towards a more neutral stance. “The conflict was the issue in Northern Ireland (no Labour voters there) but not really an issue in United Kingdom politics,” but “through the

82 Ibid.
83 Blair, A Journey, 159.
process the good faith of the government…was in question.”

The attempt to demonstrate balance and neutrality was even more difficult for Peter Mandelson. On arrival in Northern Ireland, a Unionist protestors told him, “There are only two models of Northern Ireland Secretary: Mo Mowlam and Roy Mason. If you know what’s good for you, you’d better be Mason.”

Mowlam, the past Secretary of State for Northern Ireland, had eventually appeared too partial towards Nationalists. The Chief of Staff for Tony Blair asserts that Mandelson eventually swung the other way, becoming Unionists’ “favorite Secretary of State since Roy Mason.”

This eventual perception formed despite Mandelson’s own repeated attempts to demonstrate impartiality. His tactics are best demonstrated in his February 14, 2000 speech to the Great Britain-Republic of Ireland Inter-Parliamentary Body. He raised the issue of the suspension of the new government as the first order of business for this British-Irish body whose mission was to “promote co-operation between political representatives in Britain and Ireland.” This was his first chance to make an appeal to Ireland, and he felt that, even if it were not legally necessary, it was politically imperative for the Republic of Ireland to agree with the suspension. As he highlighted in the first lines of his speech, all Ireland, both North and South, had become a “safer, more harmonious and prosperous place” through the development of intergovernmental bodies like this one. After highlighting the ten-year history of cooperation of Britain and Ireland within the organization, he explained and justified his decision to suspend Northern Ireland’s devolved government.

In Mandelson’s own words, immediately after the suspension, the Republic of Ireland Cabinet Secretary Paddy Teahon “let rip at me in furious personal terms, calling me every name

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84 Ibid.
86 Ibid.
87 “About,” British-Irish Council.
88 “Mandelson: ‘I hope that the suspension will be short’”
under the sun.”

If, through flattery or argument, he could bring the Irish government to see the suspension from the British perspective, and to see him as a neutral referee between Nationalist and Unionist factions, he felt it would be difficult for Sinn Féin and the IRA to argue they were facing unfair demands. Sinn Féin's Gerry Adams attempted to argue that the Republic of Ireland opposed the British suspension. However, this proved insupportable when the Irish Prime Minister declared the day after Mandelson’s speech, “I can assure the House that the British and Irish Governments are absolutely at one on the need to secure the earliest possible progress so that suspension can be short-lived.”

Mandelson's speech to the Inter-Parliamentary body was one of the first opportunities to publically respond to the growing criticisms of the suspension from both Protestants and Catholics. In this response, too, he leaned on the international consensus. He claimed decommissioning was “called for by Protestant and Catholic, from all corners of Ireland, north and south.” This included “statements of John Hume and Seamus Mallon” (Nationalist politicians), “calls made by President Clinton and Senator Kennedy” (American politicians), and multiple newspapers condemning the absence of IRA decommissioning. He further attempted to demonstrate Britain’s evenhandedness and neutrality by not only criticizing Sinn Féin, but also Unionist paramilitaries, asserting that the “onus is on every paramilitary” to decommission. He even criticized those Unionist politicians who wished to withhold any police reform until the IRA decommissioned. Police reforms, Mandelson argued, were a matter of “common sense,” not political bargaining chips. Finally, Mandelson responded also to Sinn Féin leaders who argued he had breached the agreement. The British, he asserted, were not imperialists retaking control and

90 “Speech by Sinn Féin President Gerry Adams on the issue of Decommissioning.”
92 Mandelson, “‘I hope that the suspension will be short’”
handing the Protestants everything they wanted. Mandelson instead expressed “great sadness” at the suspension and recognition that the new government was the most “effective, most democratic form of government that Northern Ireland has ever known.” His strategy—balanced rebukes of Unionists and Nationalists, the use of consensus, and anticipation of criticisms—was designed to demonstrate the new role of Great Britain as a reasonable, neutral voice in Northern Irish politics that acted only in the interests of preserving the new peace. Although later Mandelson would come to be perceived as favoring Unionists, at this moment in the peace process he responded even handedly to both sides.

Peace was, at least for a time, maintained. In early May 2000, the IRA agreed to initiate a process that would “completely and verifiably put IRA arms beyond use,” as well as agreeing to allow third party monitors of their arms depositories to verify that, in the meantime, these arms were not being used. On the same day, the British and Irish governments released a joint letter to the political parties of Northern Ireland reaffirming their commitment to satisfying key Nationalist concerns. The letter specifically reaffirmed or established dates for the establishment of a human rights commission, for police reform, for prisoner releases, and for the continued reduction in military personnel in Northern Ireland. As in 1999, a give and take system was created through which both Protestant and Catholic factions could feel in the end more confident and trusting that the other party would deliver on their parts of the Agreement.

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93 Ibid
Part 5: Insurance Against Crises 2001

The British, under a new Secretary for Northern Ireland, John Reid, continued to intervene in hopes of influencing the outcome of the struggling new consociational government. Through 2001 and 2002, Northern Ireland faced a series of escalating political crises, linked to continued violence and distrust from both communities. Britain, under John Reid’s direction, used suspension repeatedly to establish intervention and suspension as, in effect, an insurance policy against social and political crises, poised to save the Agreement by temporarily reestablishing direct rule whenever the parties in the primary government reached an impasse.

On the one hand, the routine course of politics helped push Northern Ireland towards renewed crisis. In 2001, elections were held both at a local level (below the Assembly in Northern Ireland), and for positions in the United Kingdom’s Parliament. In these two elections, Sinn Féin received a larger percentage of votes than the more moderate SDLP. In the local elections, the DUP improved its position dramatically from the Assembly election results in 1998. Whereas before the DUP had trailed the more moderate UUP by 3.9%, it now trailed by less than 1%. The more radical groups in both Nationalist and Unionist factions were empowered and emboldened. Ian Paisley, leader of the DUP, explained the views of a growing portion of Unionist voters in verse: “The cracks begin to show/ David's world is collapsing/ And the Agreement has to go.” The IRA, also feeling more confident of political support, refused to move quickly on decommissioning. By June 30, 2001, the Independent International Commission on Decommissioning (IICD) was “unable to ascertain how the IRA will put its arms beyond use, except for the assurance that it will be complete and verifiable.”

96 “Results of Elections.”
97 “Speech by Ian Paisley to DUP Annual Conference, 1994.”
David Trimble, First Minister and head of the UUP, grew wary of the rising support for more extreme or radical stances. He himself promised a stronger resistance to IRA delays, offering to resign if the IRA had not begun decommissioning by July 1st. Referring to this position, one newspaper wrote, “Given his party's recent hammering at the polls by Ian Paisley's Democratic Unionists, is this not a case of World-War-One general syndrome, misguided optimism in the face of impending defeat?”\(^{99}\) His threat, as evidenced by the IICD report on June 30\(^{th}\), had not moved the IRA; and so he had no choice but to resign and appoint a temporary successor. This gave the government six weeks to negotiate, and if negotiations failed a new election would theoretically be held. John Reid, Secretary of State for Northern Ireland, believed such elections would “inevitably” create a “more polarised political atmosphere.”\(^{100}\)

To avoid this, Reid first worked with the Republic of Ireland. Britain and Ireland released “the elements of a package which, we believe, will help deliver the full and early implementation of the Good Friday Agreement”\(^{101}\) ten days before the end of the six week period. Eight days later, the IRA agreed to a method of decommissioning its arms—withou, however, a starting date. “Protestant leaders insisted that the I-R-A must start getting rid of its arms, otherwise they would scuttle a power-sharing arrangement that includes the I-R-A-linked Sinn Féin party.”\(^{102}\) To avoid a damaging election, Reid used a technicality embedded in suspension. By suspending the government for 24 hours, he was able to reset the six-week clock created by Trimble’s resignation.

During these six weeks, prospects looked unpromising for cooperation among opposing parties and factions in Northern Ireland. Political conflict was “paralleled on the ground as further and higher ‘peace walls’ were constructed at sectarian interfaces amid sustained low-level


sectarian violence.” While the deaths from sectarian violence had decreased, incidences of “punishment beatings” by paramilitary groups still reminded all of the dangerous potential of escalating violence. These beatings (and sometimes shootings) were “carried out on an individual or individuals by one or more persons usually from their own community…to intimidate the victim or to punish them for perceived anti-social activities.” There were 332 victims in 2001, more than any year since 1988, when the punishment beatings were first recorded. Some in the Nationalist community accepted this violence. In part the violence satisfied a desire for “instant justice” in areas where citizens were “unwilling and/or reluctant to go to the RUC.” However, for Unionists, such beatings were another reminder of the continued extrajudicial, violent power of the IRA.

Beyond this constant, low-level reminder of the potential for violent groups to still dominate their communities, significant scandals rocked the country. Three IRA members were caught training rebels in Colombia—creating questions about an IRA connection to the drug trade, and stoking fears of continued IRA activity in Protestant communities. This incident helped reinforce the urgency felt by Unionists to insist on a start to decommissioning—and to refuse further compromise. Around the same time, scandal erupted when Protestants in the Ardoyne district, part of North Belfast, began picketing to prevent Catholic girls from walking to a Catholic school through a Protestant area. “Bricks, insults and even a pipe bomb” were hurled by Protestants as police in riot gear had to push back crowds to escort the young girls, ages 4-11, to

103 Rick Wilford and Robin Wilson, The Trouble with Northern Ireland, the Belfast agreement and democratic governance (Dublin: New Island Press, 2006). 8.
107 “Timeline: Northern Ireland's road to peace.”
school. Politics and social crises fed into each other. As written in the Irish Times, “when the political process falters, violence moves in to fill the resulting vacuum.” In turn, such violence “brought the paralyzed peace process closer to collapse.” As David Trimble warned when he resigned in July, attacks by Unionists provided justification for Sinn Féin’s and the IRA’s own intransigence. “Shinners (Sinn Féin) can turn around and say that the loyalist guns are not silent, so why should republicans move on their guns.”

As Gerry Adams put it, “we are in a time when world events are dominated by imagery and stories of conflict and violence and terror.” Some, according to Northern Ireland’s Secretary of State “have seen the events…and written off this peace process as yet another heroic failure.” However, the British continued to sustain hope for peaceful resolution by sustaining the agreement. They twice suspended the government to restart the six-week clock. John Reid reminded the citizens of Northern Ireland: “We have never before had such a comprehensive settlement nor such potential for lasting peace and stability.” A day after this statement, as the end of the second suspension period neared, the IRA released its own statement. Citing a desire to stave off “collapse,” the IRA announced it had “implemented the scheme agreed with the IICD in August.” Decommissioning had finally started. Hours later, the IICD released a report describing a “significant” disposal of arms. The insurance devised by the British had succeeded in preserving the new Agreement in spite of shifting politics and social crises. As long as the British managed to appear to most Catholics and Protestants as acceptable intermediaries, their ability to

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111 McDonald, “Back from the Somme.”
113 “Speech by John Reid, Secretary of State for Northern Ireland, Belfast, 22 October 2001,” CAIN Web Service, http://cain.ulst.ac.uk/events/peace/docs/jr221001.htm
114 Ibid
extend time enabled compromise. Their presence and strategy served as insurance, then, in the sense that they reduced risk. If Nationalists or Unionists were unable to compromise according to a schedule outlined in 1998, the whole government and the peace deal need not collapse.


In 2002, however, many of the issues of the previous year had yet to be resolved. An anti-agreement camp within the UUP pushed through a new policy threatening to withdraw from—and thus shutdown—the consociational government if the IRA had not only decommissioned, but also disbanded by the following January. However, this new obstacle was dwarfed by a political scandal that UUP leader and first minister of Northern Ireland David Trimble described as “worse than Watergate.” Northern Irish Police arrested three men and one woman, including a high-ranking member of Sinn Féin, for stealing classified documents from the Northern Irish Assembly. This ring passed along confidential information to Sinn Féin to enable it to gain an advantage in negotiations inside the government. They also passed information to the IRA, who presumably would have been able to use some of the information for intimidation of politicians and their families.

Both Nationalists and Unionists felt the other side had betrayed them. In the words of Secretary of State for Northern Ireland John Reid, there was “a loss of trust on both sides of the community.” Reform of the police was an important issue for Nationalists, and for them this reform was seen through the prism of a long history of police with pro-Unionist sympathy. In

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119 Henry McDonald, “How IRA spy scandal spelt the collapse of Stormont.”  
120 “Statement by John Reid, then Secretary of State, 14 October 2002,” CAIN Web Service, http://cain.ulster.ac.uk/events/peace/docs/jr141002.htm
comments to newspapers, Sinn Féin argued for “a political motivation” to these arrests. Unionists, on the other hand, believed Sinn Féin and the IRA had betrayed the foundations of the peace agreement. All Unionists’ past fears reemerged. The “mafia state” described by David Trimble as a possibility if the IRA did not decommission now appeared a vivid possibility. With a dramatic spike in fear and distrust on both sides, political parties shifted away from compromise. Increasingly intransigent members of the UUP continued to insist that only complete disbandment, not simply decommissioning, of the IRA would be necessary to reestablish trust. The IRA in turn, when the government inevitably was suspended, stopped communications with the IICD.

John Reid acknowledged the “increasing difficulties” in Northern Ireland’s political process. He followed a now-familiar formula in declaring a suspension of the government. He promised a joint statement by the Republic of Ireland and Great Britain reaffirming faith in the Agreement and progress made over past years, and spoke of how he would have “much preferred devolved government continuing.” Ultimately, he hoped that suspension would stop this “short-term” lack of trust from spiraling into a long-term issue. Suspension was to have again provided time to enable all the communities involved to “safeguard the progress made and tackle the remaining challenges.”

That process to find a solution so that “each community has confidence in the commitment of the other to the Agreement” was made more urgent by new Assembly elections scheduled for May 2003. The British delayed the elections several times in an attempt to let tensions calm,

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121 McDonald, “How IRA spy scandal spelt the collapse of Stormont.”
122 Ibid.
124 “Statement by John Reid.”
125 Ibid.
126 Ibid.
127 Ibid.
and to create a “positive new atmosphere of trust at the beginning of the election campaign.”

Negotiations did, in fact, generate some progress. The IRA decommissioned a second set of weaponry that would have “caused death or destruction on a huge scale if it had been used.”

However, by holding the IICD to several confidentiality restrictions, the IRA decommissioning was not done, as required by Unionists, in a “manner that is conducive to creating public confidence.” The growing distrust between communities only made it harder to restore confidence in the Agreement.

The situation appeared to worsen with the result of elections to the still-suspended Assembly in November, and “expectations were not high” by the beginning of 2004. In the 2003 elections, the most radical party from each faction—Sinn Féin and, for the first time, the Democratic Unionist Party (DUP)—gained majorities in the Assembly. Tony Blair labels this election as a “second distinct phase” of the peace process. The DUP political manifesto was filled with propaganda linking Sinn Féin to the IRA and heightening the fear of the IRA. The manifesto connected the “Sinn Féin IRA agenda” to an “illusory” peace that it proposed was simply a strategic part of a “continued cycle of violence.” Past compromise, the DUP argued, had been ineffective in dealing with the IRA, and so party leaders ran on a promise that they would not share power with Sinn Féin until all guns were decommissioned.

Consociational government seemed to have failed. The elections held to a suspended government seemed to promise nothing but more difficulty in finding compromise. Nevertheless, the peace and the peace agreement were maintained. The protections provided by British

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129 Member of Decommissioning Committee, Mr. Andrew Sens, as quoted by Paul Murphy “Northern Ireland, 12.31 pm.”
130 “Northern Ireland, 12.31 pm.”
132 “Northern Ireland chronology.”
133 “A Selection of Political Party Manifestos – DUP Fair Deal, 2003”
134 Ibid.
intervention, tested to an extreme limit, proved effective. In fact, after 2002, measurable sectarian violence began to decline under direct British rule. With the country remaining stable, and the peace more or less still intact, Britain repeatedly attempted to find a new compromise that would preserve the Belfast Agreement.

In 2004, the British made their first attempt to bring Sinn Féin and the DUP to a satisfactory compromise. Northern Ireland’s political parties each submitted their own proposals for reform of the Agreement, and then attended a session hosted by the British and Irish governments reviewing “how the Agreement has functioned, and how its operation might be improved for the future.” Following the review, the Republic of Ireland together with Great Britain issued a joint-proposal that the Secretary of State for Northern Ireland hoped would restart the government by satisfying both Nationalist and Unionist demands. The proposal appeared as though it might be successful, with the IRA announcing its willingness to decommission all of its arms; but the deal fell apart since Sinn Féin and the IRA were unwilling to submit to the “humiliation” of photographing the decommissioning. The DUP refused to trust the IRA and Sinn Féin without photographic evidence.

2005, however, demonstrated again the worth of suspension to help Northern Ireland move towards peace. Approaching three years of continuous suspension, the compromise process finally started to see breakthroughs. The IRA announced in July 2005 that it would unilaterally disarm. The intervention that provided a way for one party to “jump first,” and provided more time for negotiation and accommodation to succeed, proved crucial to restoring devolved government. The IRA over the past years had become more open to full decommissioning,

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135 “Casualties as a result of paramilitary-style attacks.”
136 “Statement by Paul Murphy, then Secretary of State for Northern Ireland, at the opening of the Review of the Good Friday Agreement, 3 February 2004,” CAIN Web Services, http://cain.ulst.ac.uk/issues/politics/docs/nio/pm030204.htm
moving from agreeing to partial disarmaments in 2002 to a conditional willingness to place all arms immediately beyond use by the end of 2004. In the subsequent months after the collapse of the 2004 deal, the IRA faced continued scandals. Members were accused of a massive bank robbery, and other members of the IRA beat a man to death. In a symbolic gesture, the US president, George W Bush, met with the victim’s family and refused to meet with Gerry Adams. Pressure on both Sinn Féin and the IRA was applied as well by the Republic of Ireland. Eventually Gerry Adams, head of Sinn Féin, directly and publically called for the IRA to surrender its arms; and the IRA eventually acquiesced to the mounting pressures of time.

Time, certainly, was at the front of Gerry Adam’s mind when he spoke about the IRA decision. He said that “National liberation struggles can have different phases. There is a time to resist, to stand up and to confront the enemy by arms if necessary….There is also a time to engage…There is a time for rebuilding. This is that time. This is the era of the nation builders.” Also underlined in Gerry Adams response was the importance of suspension’s power to eliminate the disadvantage of unilateral movement. Ultimately, the IRA only acted unilaterally because that action also put pressure on the DUP. Gerry Adams asserted, “There is now no possible excuse for the British and Irish governments to not fully and faithfully implement the Good Friday Agreement.” There would be no more “pandering” to rejectionist Unionists.

The results of 2005 began to show when in 2006, at a hotel in St. Andrew’s, the Northern Irish political parties tried again to negotiate a deal. Britain and the Republic of Ireland offered a joint-proposal to be considered by the parties. After the unilateral decommissioning by the IRA, Great Britain and Ireland pressured the DUP to compromise. The two governments promised that

139 “Timeline: Northern Ireland's road to peace.”
140 Ibid.
141 “Full text of Adams’ speech in Belfast.”
143 Ibid.
if negotiations failed again, what had been the insurance government would become the primary government. Devolution would be replaced with “joint British-Irish partnership arrangements” that would execute the Belfast Agreement. Motivated by this threat, and aided by the advantages of time, the St. Andrew’s Agreement was signed and a new consociational government assumed power. The parties and their constituents of course remained suspicious of each other, but time had reduced the crisis of confidence first induced in 2002 and amplified by the elections of 2003. In fact, confidence in political parties even had increased from 2000. Whereas in 2000 only 17% of Catholics said they would definitely or probably trust a DUP minister, in 2007, 49% said they would. Similarly, 6% of Protestants said they would definitely or probably trust a Sinn Féin minister in 2000 compared to 25% by 2007.

Increasing trust made it possible by 2007 for Gerry Adams and Ian Paisley to work together as First Minister and Deputy First Minister in the new government. Time provided by, and compromise facilitated by, intervention helped enable a transformation in radical parties. Now, some of Northern Ireland’s most radical figures from past decades were willing to work with each other. In many ways, both Sinn Féin and the DUP had, over the course of suspension, shifted to act more like the moderate parties they had replaced than their former selves.

Measured by the success of maintaining peace, and quieting sectarian violence, the British strategy was effective. Despite inherent incentives for each party that created impasses and difficulties in compromise, the British were able to provide an external source of mediation and an extended time frame for compromise. Then, when a surprising political scandal collapsed trust in government, and ended devolved Northern Irish rule from the end of 2002 until 2007, the British

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government stepped in for a much longer period as negotiator and go-between. That the intervention helped extend the peace, if not the government, between the two parties, allowed Northern Ireland’s citizens to continue to build and rebuild trust. These interventions give credence to Tony Blair’s memoir when he writes, “conflict won’t be resolved by the parties if left to themselves. If it were possible for them to resolve it on their own, they would have done so. Ergo, they need outside help.” This “outside help” culminated in a new agreement, the St. Andrews Agreement that was constructed from the Belfast Peace Agreement. This agreement has, to this date, resulted in a more successful consociational government; the DUP and Sinn Féin took office in 2007, and for ten years as of this writing successfully have maintained devolved rule. British actions that provided essentially an insurance government, standing in temporarily for the Northern Irish devolved government, overcame repeated crises and maintained the essence of the 1998 Agreement—a commitment to peaceful means, equality, and consociational government.

146 “Northern Ireland chronology.”
147 Blair, A Journey, 189.
Chapter 2: The Assembly’s Moral Hazard

This chapter proposes that, by intervening consistently in the new consociational government, Great Britain altered the structure and incentives of Northern Irish politics. This is a common effect of different forms of insurance referred to in economic literature as "moral hazard". The Financial Times describes moral hazard as the “chance that the insured will be more careless and take greater risks because he or she is protected, thus increasing the potential of claims on the provider. The concept can be extended to any contract that by its existence could prompt a signatory to take unnecessary risks.”

In this case, the British government, functioning in effect as an insurance provider, made a contract with the citizens of Northern Ireland, promising that Great Britain would intervene to protect the political stability and peace promised by the 1998 Agreement. The moral hazard in this contract emerges because Britain, by protecting the voters of Northern Ireland from political instability, also reduced the costs of instability.

This protection could have promoted many different forms of risk taking. For instance, protection against a return to the Troubles might have promoted an increase in violence from groups such as the IRA who wished to benefit both from that violence and the Agreement, and more overtly confrontational and exclusionary behavior between communities who feel secure that their actions will not renew violence on a large scale or bring retaliation. These are among the risks Great Britain, as the insurance provider, assumed. However, this chapter focuses on the most easily observed aspect of the risk—that the political parties in Northern Ireland and their constituents were emboldened to take “unnecessary risks” in elections and political negotiation in an attempt to maximize the benefit of the Peace Agreement for their constituencies.

Moral hazard does not happen automatically because the costs of risk taking are reduced. What it does is reduce constraints, amplifying existing desires to engage in risky behavior. In this case, the removal of some of the costs of political instability amplified existing divisive tensions and distrust motivated and driven by social, cultural, and religious difference. Moreover, it exacerbated the divisive tendencies in consociational government—a form of government that makes explicit the voting divide between communities and removes many incentives for political parties to gather support from the other community.

To examine how moral hazard impacted political development in Northern Ireland after 1998, the chapter aims to look first at the ways that British intervention separated Northern Irish politics from many measures of everyday well-being. The subsequent section focuses on how Sinn Féin and the DUP recognized and took advantage of this separation. It examines how, after the first British interventions, both of their party platforms shifted towards more radical language that highlighted the disadvantages of compromise, and the advantages—seemingly without cost—of more radical stances. The final section looks at what happens after the two radical political parties came to power in 2003 on the strength of their uncompromising rhetoric, and had to try to negotiate with each other. Eventually, this chapter argues, Britain recognized the moral hazard that had taken root, and in the period leading up to the St. Andrew’s Agreement attempted to reduce that moral hazard and force greater compromise.

**Part 1: Well-Being**

Moral hazard is ultimately related to individuals' perceptions of the effects of risk on their lives. If one believes that apparently risky behavior will do no harm, that it is not in fact a risk, one is generally more likely to choose that behavior. Britain separated the Northern Irish from many of the negative consequences of risky political behavior. This section demonstrates initially how...
economic well-being improved through the peace process leading to 1998, and especially after the Agreement in 1998. Peace brought substantial economic benefits. However, the benefits of stable Assembly rule are less clear. British intervention protected individuals so that political instability after 1998 apparently had little impact on the economy. The section then expands the analysis beyond economic well-being, demonstrating that British intervention extended to protect many areas of Northern Irish life, such as healthcare and education, from the political behavior of the majority parties and the subsequent collapses of the Assembly.

Economic changes, and perceptions of those economic changes, provide one important barometer of change. Unemployment and gross disposable household income together provide a clear picture of how Northern Ireland’s citizens experienced economic change—through changes in the number of people able to find a job, and changes in the wages those jobs provided. The following charts track Northern Irish unemployment and gross disposable household income (GDHI) from 1997 through 2007.

Unemployment in Northern Ireland vs UK 1997-2007

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A wide body of research, including a study that examined 113 different countries, demonstrates that political instability typically has a significant negative effect on economic growth. However, the consistent and dramatic political turmoil of the new government shutting down four times from 2000-2002 did not provoke economic downturns in Northern Ireland in the metrics—at least relative to Great Britain. Northern Irish history prior to 1990 follows the typical pattern. The Troubles “economic legacies include, damaged property/infrastructure and job loss, disincentives to inward investment, and the diseconomies of conflict, such as inefficient labor and housing markets generated by intimidation and community division.” For instance, costs of trying to secure one’s buildings, and the lack of a stable internal market led to an exodus of large manufacturers. Moreover, as explained by a leading Northern Irish businessman, Sir George Quigley, “foreign decisions are as much location decisions, as purely investment ones, so if you have a choice, you go where your managers will think they are safer.” Some of the best talent in

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5 Dawson, Making Peace with the Past, 17.


Northern Ireland began to leave as well both to receive higher wages and to find a safer place in which to work and live.⁸

As the peace process began to build momentum, and as general economic trends improved in the 1990s, the economy started to improve. There are clear and tangibles benefits to peace. Even before the official agreement, more and more individuals were able to find jobs under direct British governmental rule. Unemployment fell fairly consistently from 12.4% in the second quarter of 1992 to 7% in the second quarter of 1998 when the Peace Agreement was signed.⁹

However, previous historical trends predict the increase in political volatility that followed the Peace Agreement should have been reflected in economic volatility. Changes and suspensions of government, that is, could have been expected to introduced uncertainty and fear of violence that would slow economic growth.

Instead, not only was there consistent economic improvement relative to Northern Ireland’s past, Northern Ireland also outperformed, on certain key measures, many European countries, including Wales in the United Kingdom. Gross disposable household income (GDHI) per head averaged 5% growth each year through 2007; and, by the end of the period, Northern Ireland outperformed Wales in GDHI per head.¹⁰ Moreover, with unemployment dropping consistently—to a low of 3.6% in 2007, Northern Ireland dramatically outperformed the European Union average that never fell below 6.7% during the same period.¹¹ Peace, then, continued to provide economic benefits. More had jobs, and those jobs paid more. There were a few signs that Northern Ireland’s frequent Assembly suspensions had, to some extent, negatively impacted the

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⁹ “Regional Gross Disposable Household Income.”
¹⁰ British Office for National Statistics defines GDHI as “the amount of money that all of the individuals in the household sector have available for spending or saving after income distribution measures (for example, taxes, social contributions and benefits) have taken effect.”
economy. During the unstable period between 2001 and 2002, Northern Ireland's economy grew more slowly relative to Britain's in GDHI. Nevertheless, the residents of Northern Ireland asserted in a 2007 survey that over the past 10 years the economy had noticeably improved. There was little in the data to link economic improvement to a politically stable Assembly. And this established the economic conditions for behavior reflecting the moral hazard of the British interventions that followed the 1998 Agreement.

Survey data supports that perceptions in this case aligned with the reality of economic improvement. Each year from 1998 through 2005 (the question was not asked in 2006 or 2007), more citizens felt the economy had grown stronger than felt it had worsened. In four of those years, the number of individuals who felt the economy had improved out paced those who felt it had stayed about the same. In 2007, when asked if the economy had improved over the past 10 years, 69% agreed that it had, and only 8% felt it had worsened. Free of the specter of endless violence, economic well-being seemed to have improved, and most importantly, the citizens of Northern Ireland felt that economic well-being had improved under the Peace Agreement.

However, with the economy’s consistent improvements, residents of Northern Ireland seem to have developed a greater indifference towards whether the Assembly or Britain governed during this peace. When the language of the survey tied economics to politics by asking whether the economy had improved under the new Assembly, far fewer felt the economy had improved (24%), and the majority who answered responded that there was no change (42%). Similarly, when asked in 2003 after a year of direct British rule if the economy had improved under the year of British control, the majority responded again that the economy had remained the same as

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12 “Northern Ireland Life and Times Survey.”
13 Ibid
14 Northern Ireland Life and Times Survey. 24% responded better, 14% worse, 42% same as before and 21% either too early to say or don’t know.
Residents were unwilling to assign greater credit for the improving economy to either the British government or the Assembly.

How the Assembly functioned was apparently disconnected to economic well-being in the minds of the Northern Irish. Under British direct rule before the agreement in 1998, the economic well-being of the average citizen in Northern Ireland had been improving; and economic conditions did not suddenly shift after the agreement was signed. After the Agreement, residents continued to find it easier and easier both to find a job, and to earn higher salaries. Under the new government established by the Agreement the growth trend that had begun in the mid 1990s simply continued at a predictable rate, and the instability of that new government never seriously interrupted that growth. There was, then, little perceived economic cost to a vote for a party that might shut down the Assembly. With the insurance of joint British and Irish intervention, Northern Irish voters did not seem to consider, or react to, the political impasses and demands of Northern Irish parties as symptoms of political instability. In essence, once the British were able to switch between direct rule and devolved government, the overall political system that governed daily life was effectively stable. The normative pattern of economic decline following political instability was interrupted because the British insured that there was no governmental instability that resulted from the political instability of Assembly rule. Northern Irish politicians could engage in near continuous negotiation without significantly harmful governmental consequences.

British interventions were responsible for the separation Northern Irish citizens began to perceive between a Northern Irish government and the economy. Rapid political changes did not hurt because, by intervening, Britain ensured governmental stability. Most Northern Irish felt in both 2001 and 2007 that Britain, not the Assembly, had the effective political and economic

15 “Northern Ireland Life and Times Survey.”
influence over Northern Ireland.¹⁶ For the most part, Northern Ireland's economy fairly closely tracks Britain’s economic performance during the same years. GDHI grew at a similar rate for each, and unemployment fell for each (although faster in Northern Ireland).

Looking at businesses, research and development spending is one of the best windows into confidence in a market’s future. The path of research and development spending in Northern Ireland after 1998 provides insight into how British intervention changed economic outcomes. During the Troubles, research spending fell as companies worried about the effects of violence. This spending is a key factor driving the long-term growth in productivity of business—and thus ultimately sustained economic growth. Its fall contributed to the economic misery of the Troubles. After the Peace Agreement, businesses began to increase investment—displaying an increased confidence in the future.

**Gross Expenditures on Research & Development: Business Sector**¹⁷

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<td>94.7</td>
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Following a very difficult political year in 2002 that extended into 2003, and following a general downturn in the British economy, research and development spending by business fell 22.5%. In this drop, one can see the impact that a fall in confidence about future peace and prosperity—due to political instability—can change expectations and slow the economy. However, even through this downturn, businesses spent 28% more on research and development than they had seven years earlier. Moreover, once the British intervened and demonstrated an ability to maintain order even at times of severe crisis, research and development again rose. A

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¹⁶ Ibid
significant growth in research and development from 2004-2007 mirrors the period of strongest GDHI growth in Northern Ireland relative to the UK as a whole—while the Assembly was suspended indefinitely. With Great Britain successfully maintaining both effective governance and peace, and thus also the promise of prosperity, businesses again felt comfortable investing for the future. And with an improving economy, Northern Irish voters had far less reason to demand a swift return of the suspended Assembly, and little reason to insist that their parties compromise.

Maintaining peace, and the prosperity to help encourage that peace in the face of great instability, did not come cheaply to the insurer, Great Britain. Britain also sustained Northern Ireland through subvention. Britain supplied not only the Act of 2000 promising intervention but also a different form of intervention, economic investment. Subvention in this context is a term for how much the central UK government spent on Northern Ireland, minus what it collected in taxes from the region. After the Peace Agreement, with fewer troops needed in Northern Ireland, and Northern Ireland generating more revenue as its economy performed better, the subvention might have been expected to decline. Instead, the subvention jumped upwards by 64% (when controlling for inflation) between 1996 and 2003. The 2003 subvention was around 20% of Northern Ireland’s gross value added—Gross Domestic Product (the amount of goods produced in a country) plus subsidies minus taxes—at a time when the UK fiscal deficit relative to GDP in 1998-2007 ranged from 0% to 4%. The British government insurance against political instability in Northern Irish governance remained very costly as it provided, through public spending and low taxes, a major stimulus to Northern Ireland’s economy.

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19 Ibid
Much as Britain’s large influence seems to have acted not only as insurance for the Northern Irish peace process, which includes in the intentions of its authors economic stability if not prosperity, intervention also protected stability across other key social institutions such as education and health. As with the other countries in the United Kingdom, Northern Irish finances, currency, business regulation, national defense, international relations and trade were all managed by Great Britain. Moreover, during suspensions, the Northern Ireland Office assumed responsibility for all government ministries—ensuring the continued, effective functioning of departments such as education and health. The 1998 Agreement then, left many of the most important areas of governing under the supervision of the British.

In 2003, when the DUP ran on a platform advocating the suspension of the government, citizens were asked whether under Assembly rule since 1998 education and health had improved. 50% of those who responded reported that education remained the same as in previous years, with the other respondents splitting almost evenly in claims that education had become either better or worse. Most citizens surveyed also again claimed that the quality and accessibility of healthcare had not changed from the previous period. More respondents, in fact, believed healthcare had been better, not worse, with British control.

Great Britain, by 2000 had met its goal of successfully shielding the citizens of Northern Ireland from a political impasse between Nationalists and Unionists that clearly remained unstable. An apparent result was a drop in fatalities from sectarian violence after the Peace Agreement that did not rise with political stalemates. There were 8 civilian deaths and 19 total in 2000 as opposed to 46 civilian deaths and 55 total in 1998. In that one, very important measure,

21 “Northern Ireland Act 1998: Schedules 2 and 3.”
22 “Northern Ireland Life and Times Survey.”
23 Ibid
the influence of British policy on Northern Ireland’s internal politics contributed successfully to maintaining peace and the prospect for further negotiation.

However, what also came with this success in the Northern Irish context, was a separation between the effective, stable functioning of the Assembly and key areas of every day well-being. Even as politicians frequently suspended the Assembly and threatened abandonment of the Good Friday Agreement, the citizens of Northern Ireland experienced a rise in their standard of living. Their incomes grew, violence fell, and their healthcare and military protection was perceived to remain the same. While peace mattered for well-being, stable, devolved rule mattered far less so long as the peace and its benefits from of the 1998 Peace Agreement stayed intact. By effectively protecting the Northern Irish from the potential negative consequences of political intransigence, partisans had little reason to vote against those who would refuse to compromise. As one professor of politics at the University of Ulster wrote, “As long as hospital waiting lists are low, unemployment is way down, and there is relative peace on the streets then people are generally content with the status quo.”

The conditions for moral hazard, the invitation for risk taking inherent in an effective insurance arrangement, arose from an effective strategy of defusing political instability through intervention, and protecting social and economic well being.


British intervention reduced the cost of radical, uncompromising negotiating positions. This ability to remain uncompromising proved particularly powerful in a Northern Irish society where distrust and fear remained high. The Troubles shaped Northern Ireland into a society of “polarized identities, defined in opposition to the other who is perceived to be responsible for the violence,” along with “brutalizing effects of military occupation and the surveillance state,” and

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“pathologies of violence that manifest in a gamut of heightened emotional states encompassing anger, loss, disorientation, hatred, mistrust, insecurity, fear and humiliation, and the psychic disturbances nowadays described as trauma.”26 These effects linger well after a conflict officially ends. In areas such as Yugoslavia, Rwanda, and South Africa, the “the past continues to torment because it is not past. These places are not living in a serial order of time, but in a simultaneous one, in which the past and present are a continuous, agglutinated mass of fantasies, distortions, myths and lies.”27

A similar mixing of present and past can be seen behind Northern Ireland’s peace walls. “Peace walls” were erected by the British between Protestant and Catholic neighborhoods to lower violence. These walls, built up higher over time to stop each side from throwing objects over them, still stand as haunting reminders of Northern Ireland’s past.28 In Unionist and Nationalist communities, large murals serve as daily reminders of a recent and violent past. For instance, a mural in the Unionist Shankill neighborhood in Belfast shows several IRA attacks on Unionists.29 The Unionist Orange Order marches each year to commemorate victories over Catholics in 1690 and 1689.30 With such visible reminders of the past, even children learn to reference long ago events when discussing what it means to be Nationalist and Catholic or Unionist and Protestant.

If a Nationalist living in the Ardoyne area of Belfast decided to cross peace walls to the traditionally Unionist Shankill neighborhood, he or she would be greeted with murals celebrating Unionist paramilitaries. Each community is divided by a “selective narrative” of “what the other

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26 Graham Dawson, Making peace with the past?: memories, trauma and the Irish troubles (Manchester: Manchester University Press, 2010).
30 Dawson, Making Peace with the past?
side have done to us, what we have suffered and how our people have fought back.” 31 When reflecting on what it means to identify as Irish or British, a fifteen year old girl perhaps articulated this narrative of difference most simply: “It means what I don’t and do believe and which Church I go to whether Catholic or Protestant.” 32

This sense of separation remained constant after 1998. 62% of respondents to the Northern Ireland Life and Times Survey, for instance, reported that all or most of their neighbors were of the same religion in 1995. In 2005, 63% reported this. 33 Similarly, the percentage of respondents reporting that all or most of their friends share the same religion jumped from 57% in 1998 to 66% in 2000. Even five years later in the 2005 Life and Times survey, the percentage with most or all friends from the same religion remained at 66%. 34 Inter-marriage between Catholics and Protestants did rise, since the number of individuals with a spouse of the same religion fell from 91% in 1998 to 85% by 2005 35. However, at the same time, the number of individuals reporting that all or most of their relatives were of the same religion rose.

In this atmosphere of physical and narrative separation, negotiation seemed to threaten the two communities’ social, cultural, and religious identities, and ultimately the two sides' very different dreams for Northern Ireland’s future. Northern Irish wanted the benefits of peace, but the apparent freedom from risk of the moral hazard of the Agreement allowed them to receive those benefits, enabling the Peace Agreement to remain intact, even when political parties refused to work together and collapsed the government created by the Agreement.

The two large radical parties, Sinn Féin and the DUP adapted their messages to this dual desire for peace and strong, uncompromising ethnic representation. Using increasingly

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31 Dawson, Making peace with the past? 3
34 Ibid
35 Hayes and McAllister, Conflict to Peace, 147-170.
provocative language in their political manifestos that highlighted the disadvantages of compromise, and the advantages of radical stances, the parties built their popularity on the cultural, economic and religious divisions in Northern Ireland. At the same time, to grow their parties, they recognized the need to appeal to all in their communities, not just the most radical partisans. Voters had to assess whether partisan appeals merited the risks of electing the more radical parties. To capture majority support, each in practice combined increasingly radical and divisive rhetoric, while moderating policies that might overwhelm the powers of British insurance to maintain peace. For Sinn Féin, this meant clear condemnations of violence in politics; for the DUP this meant accepting consociational government.

*The Rise of Radical Rhetoric and Intransigence*

Sinn Féin was the first to realize that delaying compromise provided them more negotiating leverage, and more favorable outcomes relative to initial deals. At the same time, because of British intervention, the shut-downs of the Assembly that resulted from Sinn Féin's intransigence did not directly harm Sinn Féin's constituents. By 2003, the evidence for their calculated intransigence was fully incorporated into their political platform. The DUP mirrored Sinn Féin's behavior, and by 2003 advocated equally uncompromising positions as the best strategic path for Unionist success. When both parties rose to power by 2003, that rhetoric made negotiation extraordinarily difficult.

In the atmosphere of the rhetoric, Catholic and Protestant voters became even more wary of the other community. Between 1999 and 2002, the percentage of Northern Irish who believed that relations between Catholics and Protestants had improved relative to five years previously dropped from over 50% to around 33%.\(^{36}\) Optimism for future relations followed a similar

\(^{36}\) “Northern Ireland Life and Times Survey.”
downward trend, from 55% in 1999 to 39% in 2002.\textsuperscript{37} Perhaps most troubling, the percentage of individuals believing religion would always make a difference in Northern Ireland, which in 1999 was a very high 79%, rose even higher to 85% by the end of 2002.\textsuperscript{38} These changes in turn provided the ground for continuing radical rhetoric and refusals to compromise, and further emboldened and empowered the two more radical parties.

This rise of radical positioning began in early 2000. Peter Mandelson wrote in his memoir that Sinn Féin did not believe he would use his power to intervene.\textsuperscript{39} However, once they were proven wrong, and power was exercised in February of 2000, the benefits and reduced risks of more demanding, uncompromising stances started to become apparent to the political parties and their voters. It was as if there were a swing from the desire to look for compromise and cooperation where it could be found to intractable demands that could not be negotiated. Gerry Adams saw the intervention setting an unfortunate precedent. The first public references to the potential for moral hazard actually come from Adams after the first suspension. He warned, “We can hardly blame David Trimble for threatening a British government when, from his point of view, his tactics pay off.”\textsuperscript{40} From his perspective, Unionist unwillingness to compromise had been rewarded with more time and, thus, recognized as a valid negotiating tactic. If threatening to withdraw from the government gave Unionists more time to negotiate and force greater commitment to decommissioning from the IRA, then, he pointed out accurately, Unionists would proceed to push for more suspensions. This increased reliance on the insurer is moral hazard in action.

\textsuperscript{37} Ibid.
\textsuperscript{38} Ibid.
\textsuperscript{39} Mandelson, \textit{The Third Man}, 296.
\textsuperscript{40} “Keynote address by Sinn Féin President Gerry Adams to a Sinn Féin Special Conference, 27 February 2000,” CAIN Web Service, http://cain.ulst.ac.uk/events/peace/docs/ga27200.htm.
As highlighted in Chapter 1, both Nationalists and Unionists had to be satisfied with a deal for the Northern Irish Assembly to reconvene. Gerry Adams' assertion that moral hazard ran in one direction is flawed. He claimed that suspension worked only to benefit hardline Protestants and give them what they wanted. Even by 2002, he continued to see the British as favorable to Unionists, asking “Does anyone believe for one second that if the Sinn Féin leadership had threatened to withdraw our Ministers from the Executive, that the British government would have moved to suspend the institutions?”

Nevertheless, the same suspension that benefited David Trimble helped Sinn Féin by allowing the IRA to delay the beginning of decommissioning. Over time a perception was created that, by holding out, Sinn Féin and the IRA were more “effective.” What the SDLP were willing to give up for nothing, Sinn Féin and the IRA would use for leverage to extract concessions from the other side. In this case, after the suspension of government, Peter Mandelson, realizing “Gerry [Adams] was clearly not going to deliver decommissioning on anything like the scale or timetable envisaged in the Good Friday Agreement,” made a deal with Sinn Féin and the IRA. The British were now linking disarmament to the broader implementation of the entire Good Friday Agreement, rather than making it a price for participation in a devolved government. Mandelson’s intervention meant that instead of precipitating, as Mandelson feared intransigence would, “many, very possibly murderous years” Sinn Féin’s resistance helped the Nationalist cause.

This was a turning point in Northern Irish politics. Political instability no longer appeared as costly, and so Sinn Féin increased the destabilizing, partisan demands of their platform. Moral hazard took root. By 2001, Sinn Féin leader Gerry Adams wrote an introduction to the party

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42 “Northern Ireland Life and Times Survey.”  
43 Mandelson, The Third Man, 298-299.  
44 Mandelson, The Third Man, 300.  
45 Mandelson, The Third Man, 291.
manifesto that opened with “A Chara”—a Gaelic greeting emphasizing the party’s pride and support for Irish culture.\textsuperscript{46} At the same time, while in 1998 Sinn Féin had praised the “nationalist unity” between “Hume/Adams”, by 2001, the Sinn Féin platform accused the SDLP of colluding with Unionists to “disenfranchise Sinn Féin voters.”\textsuperscript{47} Aided by transitions in the SDLP power structure with leaders, including John Hume, retiring, Sinn Féin’s increasingly uncompromising rhetoric helped the party defeat the SDLP in elections to the central parliament in Westminster in 2001.\textsuperscript{48} Nationalist voters' calculations were changed. Immediate cooperation appeared less successful than strong, partisan representation.\textsuperscript{49}

With each suspension of government through 2003, Sinn Féin’s intransigence was rewarded. Although the UUP originally called for complete disarmament by 2000,\textsuperscript{50} after a series of suspensions accompanied by Sinn Féin resistance and negotiation, the IRA nevertheless remained armed three years later in 2003. Sinn Féin used disarmament as leverage in forcing

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\textbf{Northern Ireland Assembly & Local Election Results} \\
\textbf{Nationalist Parties} \\
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\textbf{\% Votes} \\
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1998 & SDLP & Sinn Féin \\
2001 & 25.00 & 20.00 \\
2003 & 20.00 & 15.00 \\
2005 & 15.00 & 10.00 \\
2007 & 10.00 & 5.00 \\
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\item \textsuperscript{47}Ibid.
\item \textsuperscript{49}“Results of Elections Held in Northern Ireland Since 1968.”
\item \textsuperscript{50}“A Selection of Political Manifestos - UUP Manifesto 1998.”
\end{itemize}
movement on other issues. They heavily promoted their intransigence in their party manifesto. In 2003, instead of just the opening phrase, the entire opening statement was written both in English and Gaelic. With this, they offered their party as the representative of the authentic native Irish population and culture, positioned to defend its rights against the occupying Protestant oppressors. The document throughout emphasized unwillingness to compromise upon principles and rights.

An essential position was staked out on police reform. As part of the Belfast Agreement, the Patten commission was created to examine the current Royal Ulster Constabulary (the police in Northern Ireland) and propose improvements. The report issued by the commission offered 175 recommendations for symbolic and practical changes to the police force. However, Sinn Féin's analysis of the Police (Northern Ireland) Act 2000, meant to implement these reforms, “showed that of the 175 recommendations, 89 weren’t adopted. Only 11 were implemented and it proved impossible to qualitatively comment on the remaining 75.” The manifesto attacked the SDLP for accepting this weakened Act, and for later claiming “that it was no longer possible to deliver amending legislation.” Sinn Féin in contrast, “challenged the government, publically and privately,” and by 2001, “the British Government accepted that the Police Act did not deliver Patten and that amending legislation would be necessary.” Even though the government shut down twice during 2001 as the IRA continued to stall decommissioning, Sinn Féin's demands ultimately produced progress without harming Sinn Féin’s constituents. The 2003 manifesto highlighted specific changes to policing implemented in 2002-2003—even during the suspension of government. In 2003, an amending act, the Police (Northern Ireland) Act 2003 was created

51 “A Selection of Political Manifestos – Sinn Féin 2003.”
53 Ibid
54 “A Selection of Political Manifestos – Sinn Féin 2001.”
which, according to Sinn Féin, included, greater “democratic accountability.” Willingness to compromise in governing did not appear necessary, since during periods of suspension (2002-2003), Sinn Féin was fulfilling more of the Nationalists’ desires. By 2003, even a majority of SDLP voters felt that Sinn Féin was the more effective party. With the British insuring peace and governmental stability, Sinn Féin's demands and positions brought greater benefits for Nationalists without affecting everyday well-being and safety.

Nevertheless, Gerry Adams accurately pointed out that Sinn Féin did not directly push for suspensions of government. On the Unionist side, the DUP did. The Unionist desire for more radical use of suspensions of the Assembly started, as Adams predicted, as early as the first suspension. Trimble faced a challenge within his own party from more radical members (many of whom later joined the DUP). During the suspension, one of those members ran against Trimble for leadership of the party on a platform Trimble called a “Unionist wish-list.” Among other demands, this platform promised not to take office until the IRA had fully decommissioned. The desire for a long suspension of government until some “wish-list” centered on decommissioning was achieved grew in popularity over the course of the suspensions as individuals and parties realized the relatively low cost of suspension on daily life.

The DUP adopted that wish-list. In 2001, the party developed a set of principles targeting Sinn Féin, and the success the Nationalist party had managed to attain without full disarmament. For instance, three of the DUP principles center around the proposition that “those who are not committed to exclusively peaceful and democratic means should not be able to exercise unaccountable executive power;” and before Stormont (the home of Northern Irish government)

should reopen “terrorist structures and weaponry must be removed.” This new wish-list would serve as the basis of the DUP's agenda through 2007.

The UUP, faced with Sinn Féin's demands, could not receive enough concessions to satisfy their followers. With each parliamentary election from 1998 through 2003, the DUP gained a larger share of the vote.  

There are similarities in the transformation of the DUP manifestos over this period to the transformation of the Sinn Féin manifestos described earlier. Where Nationalists supported Sinn Féin in part because the party successfully maintained IRA decommissioning to ensure the Agreement was “fully implemented,” Unionists increasingly agreed with the DUP that the UUP “lied and failed” on decommissioning. Because the UUP had failed to implement the parts of the deal that mattered most to Unionists, by 2003 70% of Unionists felt that Nationalists benefitted more from the Agreement.

59 "A Selection of Political Manifestos - DUP Manifesto 2001."
60 "Results of Elections Held in Northern Ireland Since 1968."
61 "A Selection of Political Manifestos - Sinn Féin Manifesto 2001."
62 "A Selection of Political Manifestos - DUP Manifesto 2001."
63 "Northern Ireland Life and Times Survey."
Disaffected Unionists were increasingly attracted by the DUP manifestos, which like Sinn Féin's, became more strident and adversarial over time. An extreme fear of Nationalists, for instance, was a consistent theme of the later DUP manifestos. Even in 1998, the manifesto prominently featured an intimidating photograph of a masked terrorist holding an AK-47 along with a statement that “the government and UUP made promises on decommissioning which they have broken.” By 2003, the DUP had continued displaying the images of Nationalist terrorism, and placed the images of terrorism in the context of a full page with two more photographs of guns. The title of the 2003 manifesto read, “The Sinn Féin IRA Agenda,” with no distinction between the two groups. The ceasefire, according to the manifesto, was “illusory,” a ploy to lull Unionists into a trap when in reality Nationalists offered nothing but a “continuous cycle of violence.” Despite the statistics recording a significant decrease in sectarian deaths, according to the DUP, “violence and terrorist activity is on the increase.” The DUP enhanced this argument by referencing IRA scandals after 1998 that would remind voters that the UUP failed to force IRA disarmament, leaving the IRA as potentially dangerous as ever.

The other pillar of DUP partisanship, attacks on the UUP as “promise breakers,” mirrored Sinn Féin’s attacks on the SDLP. The 2003 DUP manifesto featured a quotation from Sinn Féin leader Martin McGuinness saying, “I hope in the course of the election the UUP will move forward.” To the DUP, this statement verified that the UUP was filled with “pushover unionists,” and that David Trimble should be labeled “the IRA’s Delivery Boy.”

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64 “A Selection of Political Manifestos - DUP Manifesto 1998.”
65 “A Selection of Political Manifestos – DUP Fair Deal Manifesto 2003.”
66 Rogers, “Deaths in the Northern Ireland conflict since 1969.”
67 “A Selection of Political Manifestos - DUP Fair Deal Manifesto 2003.”
68 “A Selection of Political Manifestos - DUP Manifesto 1998.”
69 “A Selection of Political Manifestos – DUP Fair Deal Manifesto 2003.”
70 Ibid
71 Mitchell et al, “Extremist outbidding in ethnic party systems,” 413
The DUP’s position was that the British and the UUP had betrayed Unionists and surrendered to Nationalists. The party used Sinn Féin’s successful negotiations as condemnation of compromise. Unionist strength and cultural pride was, according to the DUP, under threat not just by Nationalists, but by terrorist Nationalists. If Unionists voted for the UUP, then all they would get is more concessions and continued losses.

Police reform, for instance, was not seen as an area of mutual gain, but rather of gain and loss. Because of the compromise, one ethnic group permanently had to give up something that it wanted—for instance the name “Royal Ulster Constabulary,” and a predominantly Protestant police force. The sixth point of the DUP platform, reappearing in 2003, stood in perfect contrast to Sinn Féin’s achievements in reforming the policing. The simple position, “The DUP will work to restore the morale and effectiveness of the police force,” condemns the UUP party.72

From a Unionist perspective, Nationalist reforms damaged the police. Tony Blair, addressing in his memoir conflict over police reform believed, “For both sides…symbols were crucial.”73 Issues such as police reform referred back in the popular consciousness of Northern Ireland to deeply evocative and emotional memories. For Nationalists, the police represented another symbol of Unionist repression and dominance. Through the Royal Ulster Constabulary, the power of justice was placed in the hands of an almost exclusively Unionist group.74 That group then inevitably acted only to benefit one half of Northern Irish society, and at times colluded with Unionist paramilitary groups.75 For Unionists, the Royal Ulster Constabulary represented a long-standing protection against Nationalist violence. The 301 policeman killed in

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72 A Selection of Political Manifestos - DUP Fair Deal Manifesto 2003.”
73 Blair, A Journey, 185.
74 “A New Beginning: Policing in Northern Ireland,” 2
the Troubles were friends and family that had died protecting against Nationalist terror. Any changes to appease Nationalist demands were believed to tarnish their memories.

Without a political price to pay for intransigence, with Britain managing governance, and with economic progress secure, both Sinn Féin and the DUP were able to focus almost exclusively on the importance of issues and symbols of group identity and fears; and amplified their importance. Symbols carried great power. The number of Protestants intimidated by markers of Republicanism in neighborhoods—such as flags and murals—rose 9% from 2000-2003. In turn, groups such as the Orange Order “re-invoke symbols” as they “see themselves under threat.” The continued political tensions were reflected in the maintenance of these political symbols, and in the sense of threat attached to them. In 2003 nearly a quarter of Catholics felt threatened by Unionist symbols.

The loss of the RUC name and tradition could “collapse Unionist morale” as asserted by the DUP. While many changes in the years following the Peace Agreement were symbolic, such as new badging and a new name for the police force, Tony Blair emphasized how carefully those changes were made because each brought with it an effect upon cultural identity and the potential, for the Unionists, of a loss of the sense of what Northern Ireland means. For Unionists, the change in name represented an erasure of a past and tradition that already seemed under threat from still-armed Nationalists. Moreover, by removing the word “Royal” from the police force, ties to the protection of the Unionists offered by Great Britain were felt to be slipping away. Those who had made the concession were portrayed in rhetoric as naïve, as betayers of the cause. One

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76 Sutton, “An Index of Deaths.”
77 “Northern Ireland Life and Times, Political Attitudes—Flags”.
78 Ibid
DUP campaign slogan from 2003 reads “Ulster Unionism: Delivering Terrorists in Government.”

If, on the other hand, Unionists voted for the DUP, the DUP promised they would stop, and perhaps reverse, Unionist losses. With basic well-being apparently secure, Unionist voters focused more and more on important cultural and symbolic battles without considering the need to compromise. Instead, the battle over politics for Unionists became about identity—about preserving cultural and religious identity and the ways that identity was reflected in Northern Irish society. In the words of Ian Paisley, politics was a battleground “inspired by the resistance of our fathers to the same ancient foe which still besets us.” The old ideas of Protestant ascendency, reflected in murals showing a victorious William of Orange, lingered.

Moral hazard lowered inhibitions and brought back again the idea of “resistance,” which now meant no more compromise. If Sinn Féin achieved its goal on an issue, then Protestant Unionists felt they had lost. Tony Blair highlights this in his memoir, writing “it was a zero sum game to all of them.” “If one looked happy, the other looked for a reason to be sad. If one was down, the other immediately went up.” The DUP promised that their politicians would not work with Sinn Féin without full IRA decommissioning. The party promised to shut down the government, and in doing this hoped to appear as the most “effective” option for offering Unionists the peace for which they hoped. In the context of British intervention that could protect general well-being, having the British in control was not nearly as objectionable as finding further compromise with Sinn Féin.

80 “A Selection of Political Manifestos - DUP Manifesto 2003.”
82 Blair, A Journey, 172.
83 “A Selection of Political Manifestos - DUP Fair Deal Manifesto 2003.”
84 Ibid
As with Sinn Féin, the hardline rhetoric succeeded. While the DUP was not as successful in the 2003 Northern Ireland Assembly elections as Sinn Féin, 40% of UUP voters saw the DUP as more effective than their own party at obtaining concessions, along with 93% of DUP voters. Unionist voters agreed with the need to “renegotiate,” to force a more favorable agreement, and the DUP’s rhetoric helped it portray itself as the party to lead the renegotiation.

Mitchell, Evans and O’Leary point out in their journal article that “costs of inter-ethnic concessions tend to be tangible and immediate (lost resources, symbols, or securities), whereas the benefits may be more elusive and future-oriented (peace, prosperity, or inward investment).” Moral hazard in Northern Ireland removed a balancing force to the cost of inter-ethnic concessions—the immediate and tangible cost of intransigence. Because of intervention, there was the perception of a greatly reduced threat of violence or economic loss. Moral hazard in the case of Northern Ireland apparently inflamed the existing divisive tendencies in Northern Irish society, creating a framework that benefitted intransient parties who then attacked the compromises of the moderate parties as failures and betrayals of the ethnic cause. After the 2000 intervention, both Sinn Féin and the DUP simultaneously became more intransient in their stances and attracted more voters or partisans.

Radicals and Moderation:
Moral hazard acted on the level of rhetoric and negotiation. Political parties could maximize their negotiating power, and protect themselves from accusations of selling-out by using aggressive rhetoric and refusing to compromise. As the surveys of public perceptions demonstrate, intransigent political positions came with relatively low risk. Most in Northern Ireland saw little change in key areas of life such as economics, health, and education during

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86 “A Selection of Political Manifestos - DUP Fair Deal Manifesto 2003.”
suspensions, and so were willing to live with suspensions rather than give up some of their goals. Neither side wanted to lose out to the other. However, neither side wanted to risk the improvements in well-being brought by peace, and protected by British insurance. Seeing the benefits of peace, the population of Northern Ireland increasingly agreed with the concept of power-sharing. Many disliked the Assembly. When asked in 2001 if the Assembly was “good value for the money,” 35% said yes while 44% said no. However, the general idea of power-sharing meant a chance for peace and prosperity. From 1998 to 2003 Sinn Féin voters support for power-sharing rose from 12% to 96% and DUP voters support rose from 33% to 65%. To maximize their popularity, Sinn Féin and the DUP further manipulated this dissociation between rhetoric and risk. Even as their rhetoric and negotiating positions hardened, the parties adopted more moderate policies to signal to potential voters they posed no serious risk to peace and economic stability.

The DUP in 1998 argued against power-sharing altogether. The party wanted majority rule rather than consociational government, and they were angered by the implications of any role of the Republic of Ireland in Northern Ireland. Such positions were genuinely radical, because supporting them attacked the basis for Northern Ireland’s new peace—a system of power-sharing in which each side felt protected. British insurance worked to protect the Agreement from political impasse. If, however, that impasse transformed into a majority of Unionists working to dismantle the essence of the Agreement, British insurance could not protect against a return to the violent status quo that preceded the agreement.

By 2003, the DUP platform had shifted. While the rhetoric became both more intolerant and more extreme, the policy platform promised a “renegotiation” of the Agreement. “This

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88 “Northern Ireland Life and Times Survey.”
89 Mitchell et al, “Extremist outbidding in ethnic party systems,” Table 3.
election is about who negotiates for unionism - who can fight for unionism within the negotiations following this election.”

The DUP acknowledged that in this negotiation, “any agreement must command the support of both Nationalists and Unionists.” Moreover, there was now a role for the Republic of Ireland, so long as it was “fully accountable to the Assembly.” This stance mirrored popular Unionist opinion at the time. Only 16% felt the deal should be abandoned, while 57% wanted some form of negotiation. Even some of the apparently more radical party positions themselves were not significantly different from those of the UUP. Both parties promised that they would not engage with Sinn Féin in government before disarmament. Voters found the DUP more believable. More radical rhetoric interacted with more moderate policy. The party’s rhetoric, and their attacks on compromise demonstrated a willingness to end the era of “pushover unionism.” The DUP positioned itself closer to the UUP on policy issues, enabling the party to extend its appeal out from their hard-core partisans to capture a majority of Unionists.

Sinn Féin similarly addressed the most significant fears of potential voters. The resistance to disarmament threatened a return of paramilitary violence—the collapse of the Agreement. Moreover, if it seemed that the IRA would never disarm, then that too could break the Agreement. Voters wanted an end to the violence, and so Sinn Féin took care to emphasize the IRA as a source of bargaining power rather than a true threat to peace. In 2003, Gerry Adams proclaimed his desire for "all armed groups to desist, I want to appeal especially to organisations which present themselves as republican.” Not only should these groups desist, but “Sinn Féin wants to see all guns taken out of Irish society.” However, he claimed, Nationalist republicans—Sinn Féin and the
IRA—had taken several “unilateral actions”\textsuperscript{97} and could not move further unless the other side made concessions. Adams created and advertised a policy position in which Sinn Féin, despite their rhetoric and an apparent refusal to compromise on positions and demands, maintained “total and absolute commitment to exclusively democratic and peaceful means of resolving differences.”\textsuperscript{98} Sinn Féin claimed only to support the IRA’s hesitancy to decommission so long as the organization might be needed for protection from Northern Ireland’s Unionist police force and Unionist paramilitaries—until the “other side made concessions”\textsuperscript{99} on these key fronts.

Despite both parties’ more moderate positions on essential issues of policy, in 2003 the DUP’s and Sinn Féin’s campaign rhetoric seemed to promise that their mutual election posed a serious threat to the Belfast Agreement, and thus to the peace it created, if there were no intervention. The British interventions in the past, however, had demonstrated that the British government would intervene, and that their interventions could maintain peace. In fact, at the time of the 2003 elections, Great Britain had directly ruled Northern Ireland for almost a year without significant outbreaks of violence. The voters saw a situation where “radical” parties posed little risk of actual radicalism, but greater promise of “effectiveness.” Both parties learned to use aggressive rhetoric and British intervention as part of the overall political system to more quickly and completely satisfy the demands of their constituents.

But each party's inflammatory rhetoric, and in particular, each party's stated refusals to compromise, created a dilemma once they became majority parties. Although each had attracted more voters in part through signaling a moderation of objectives that included a willingness to govern together, each could not afford to abandon the rhetoric that had defined the party and bound it to political promises. Compromise had become politically untenable, since it made a

\textsuperscript{97} Ibid.
\textsuperscript{98} “The Belfast Agreement,” 4
\textsuperscript{99} “Adams speech in full.”
party vulnerable to attack. Sinn Féin attacked the SDLP for its willingness to compromise on policing, while the DUP attacked the UUP for compromising with Sinn Féin on policing. It was safest politically to take the strongest negotiating stance and demonstrate that the party would not surrender on any issue. As long as a party held that position, anyone running against the party would have to say he or she was willing to sacrifice something. Since each party only had to appeal to its own voting bloc, a message of compromise is not what that bloc wished to hear or vote for. Maintaining a stalemate secured each of the two more extreme parties as the best representative of its respective cause. This stalemate meant that the parties had accepted the British interventions as a part of a system that, in effect, allowed them to continue negotiating the Belfast Agreement through the periods of intervention; but this also meant that they had become incapable of jointly governing.


In these circumstances, it is not surprising that the first British attempts to encourage negotiation between Sinn Féin and the DUP failed after the 2003 elections. The Blair government was aware of how difficult such a task would be, and had postponed the 2003 elections several times in hopes that a change of opinion in the electorate would allow the UUP, a party more willing to compromise, to be re-elected.100 After the elections, the British tried in 2004 a tactic that had worked in the past. Great Britain and the Republic of Ireland jointly proposed a compromise solution adjusting the 1998 Agreement.101

In December, the deal fell apart due to seemingly minor matters that, within the context of partisan beliefs, took on great importance. In particular “the issue of photographs”\textsuperscript{102} stood at the core of Sinn Féin’s rejection of the deal. The DUP demanded photographs and video of the IRA decommissioning all of their arms. Decommissioning was an important symbolic battle for both the DUP and Sinn Féin. A party based on displaying cultural, and Nationalist strength, Sinn Féin refused to ask that the IRA should submit to this “demand for humiliation of Irish Republicans.”\textsuperscript{103} As Tony Blair saw it, decommissioning was “more symbolic than real. In truth, if the IRA destroyed their weapons, they could always buy new ones.”\textsuperscript{104} However, the DUP had portrayed past IRA promises of peace as “illusory.”\textsuperscript{105} The IRA that the DUP portrayed to constituents could never be trusted. Because of the fears of the IRA the DUP had played upon, the party needed to provide “confidence to the community” through photographic evidence.\textsuperscript{106} If the IRA did not want to provide such evidence, the conclusion must be that the IRA was planning to betray the agreement with future violence. As a result, even when the IRA offered rapidly to decommission—perhaps even by the end of December 2004—with both the Independent International Committee on Decommissioning and two clergy as witnesses, the DUP refused to compromise.\textsuperscript{107} Even minor compromises necessary for renewed devolved governance could not be reached.

The failures of 2004 appeared to reveal the dangers of Great Britain moving away from suspension of the government. Both sides requested a repeal of the Northern Ireland Act of 2000

\textsuperscript{102} “Statement by Gerry Adams at a Sinn Féin Press Conference.”
\textsuperscript{103} Ibid.
\textsuperscript{104} Blair, \textit{A Journey}, 185.
\textsuperscript{105} “A Selection of Political Manifestos - DUP Manifesto 2003.”
\textsuperscript{106} “Statement by Ian Paisley at a DUP Press Conference.”
that gave Britain power to suspend the devolved government.\textsuperscript{108} However, each framed that request within the context of its broader goals, implying that without the British insurance, its constituents would receive all they desired. If Britain removed itself, Sinn Féin and the DUP projected that each would expect a comprehensive political victory. Without compromise, the peace established in 1998 was likely to fall apart. At least with suspension, Great Britain knew that the Northern Irish could be protected from harm even as politicians failed. In 2004, the economy of Northern Ireland was doing well, research and development investment in business was rising, GDHI was rising, and unemployment was falling. Unfortunately for Britain, another effect of this success was that, despite the lack of progress in negotiations, the DUP and Sinn Féin were overwhelmingly supported in local elections in 2005.\textsuperscript{109} They had positioned their parties as champions of their respective causes fighting an adversary representing the worst parts of the other side. Compromise with that adversary, in this zero sum game would have meant losing.

It seemed stalemate might go on forever, but in 2005 Sinn Féin took a political risk that provided them a moral high ground from which to demand change. 2005 was an election year for local and Westminster positions,\textsuperscript{110} and after the failures of 2004, Sinn Féin faced what was portrayed as “a vicious campaign of vilification against republicans, driven in the main by the Irish government.”\textsuperscript{111} This condemnation from their allies in the Republic of Ireland came at the same time as “popular revulsion” with the IRA due to a robbery in December 2004, and the murder of Robert McCartney—a Catholic—in a pub fight in early 2005.\textsuperscript{112}

\textsuperscript{108}“Devolution Now: The DUP's Concept for Devolution’, by Democratic Unionist Party (DUP), 5 February 2004,” CAIN Web Service, \url{http://cain.ulst.ac.uk/issues/politics/docs/dup/dup050204text.htm}.
\textsuperscript{109}“Sinn Féin sets out Review Agenda,” Sinn Féin, January 24, 2004, \url{http://www.sinnfein.ie/ga/contents/1532}.
\textsuperscript{110}“Results of Elections Held in Northern Ireland Since 1968.”
\textsuperscript{111}Ibid.
\textsuperscript{112}“Text of Adams speech in full,” BBC News, April 6, 2005, \url{http://news.bbc.co.uk/2/hi/uk_news/northern_ireland/4417575.stm}.
\textsuperscript{113}Christopher Farrington, \textit{Global Change, Civil Society and the Northern Ireland Peace Process} (London: Palgrave Macmillan, 2008), 113-140.
The “virtual disembowelling” of McCartney, in particular, changed the equation of political risk for Sinn Féin and the IRA. McCartney’s sisters led a campaign of condemnation against Sinn Féin and the IRA. Slowly that campaign forced the IRA to admit responsibility, and Sinn Féin’s standing and credibility was damaged both throughout Ireland and internationally. When the McCartney sisters attended an American Ireland Fund Dinner in Washington, Senator John McCain bluntly let Gerry Adams know “he would have no doors open to him in the US until the criminality stopped.” Sinn Féin's leaders were banned from the White House's annual St Patrick's Day party. “Even Senator Edward Kennedy—a long-standing supporter of Irish nationalism—refused a meeting with Mr Adams and condemned the IRA's criminality.”

Looking back, one of the sisters explained, "Gerry had ridden two horses for too long." The violent attack, brought to international attention by the sisters, undermined Sinn Féin’s claims to moderation—their claims that the IRA was not actually a threat to peace. Risks unassociated with British insurance mounted. The party’s international standing and support, including the ability to raise funds abroad, was damaged. But most importantly, the threat to peace at home threatened to weaken support for Sinn Féin. These risks were no longer acceptable for a party that hoped to retain its significant influence and its comfortable majority. In 2004 European elections, they had received 1.65 times more votes than the SDLP. On April 6th, 2005, Gerry Adams finally called on the IRA to “fully embrace and accept democratic means.” The result was that

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114 Ibid.
116 O’Doherty, “Brave stand that forced the IRA and Adams into corner.”
the IRA soon decommissioned its arms, eliminating one of the major obstacles to restarting the Assembly.\textsuperscript{119}

The time provided by intervention, one of the benefits of the British insurance, eventually helped establish the conditions for decommissioning. Moreover, because the Assembly would not restart without Sinn Féin consent, Adams realized he could act first, protect his party against any increasing support for compromise, and pressure the DUP to match the Sinn Féin movement with their own concessions. Adams insisted, “There is now no possible excuse for the British and Irish governments to not fully and faithfully implement the Good Friday Agreement. In particular this means an end to pandering to those Unionists who are rejectionist.”\textsuperscript{120}

DUP politicians, however, without the main reason for their long-standing professed objection to Sinn Féin having a place in government, had not calculated that the risks of refusal to compromise had suddenly significantly increased; and continued to pursue the political safety of intransigence. In many ways, 2005 and the beginning of 2006 represented the height of Northern Ireland’s problem of moral hazard. The DUP stood by the distrust of Sinn Féin that had helped it become the majority Unionist party. Just two weeks after Gerry Adams called for decommissioning, Ian Paisley—head of the DUP—released a statement urging his voters to give “IRA / Sinn Féin the effective rebuff they need to destroy their murderous ploy. It is now or never for Ulster.”\textsuperscript{121} The DUP again claimed that Sinn Féin and the IRA “failed to provide the level of transparency that would be necessary to truly build confidence that the guns had gone in their

\textsuperscript{119} “Timeline: Northern Ireland Assembly,”

\textsuperscript{120} “‘This is the era of the nation builders’.”

The message to Unionist voters was that this was just another deception by the “murderous” IRA.

Upon their electoral triumph in 2005—with an even larger margin of victory than had been achieved in 2003—Peter Robinson (Deputy Leader of the DUP) reaffirmed his party’s strategy, laying bare the extent of moral hazard in political rhetoric that had developed. As the new Secretary of State for Northern Ireland appointed to the post in 2005, Peter Hain, saw it, “the DUP had come off the back of a big general election win and they were very bullish and were therefore reluctant to work hard on improving the overall situation.”

Robinson affirmed how his party had overcome the UUP: “How often have you heard them claim that Sinn Féin had benefited from concessions for which the DUP was culpable? There is no concession - no not one - which can be hung around our neck.” In contrast, he asserted the UUP had faded into “irrelevance” as it “lost the plot.” The DUP would “do nothing that undermines the progress that we, as a party have made in recent years.” That meant the party would “certainly not be leaping into Government with Sinn Féin,” and anyone with doubt could, “Read my lips – The Belfast Agreement is dead.” As Ian Paisley said more simply a few days earlier, “We will not be budging on these matters. The government and the other parties can have progress on this basis. It is a take it or leave it option.”

Suspension suited the DUP. A refusal to compromise ensured power and influence in Northern Irish society. According to Peter Hain, “they had an electorate and they did not want to

125 Ibid.
126 Ibid.
127 Ibid.
go the same way as the Ulster Unionist leader David Trimble had gone. This was really the whole issue around their willingness or otherwise to go into power-sharing.”\textsuperscript{129} However, suspension did not ensure the lasting peace in Northern Ireland that Great Britain intended and was a condition of the economic well being that had come to Northern Ireland. Hain warned that if the IRA fully decommissioned, “There will be an undeniable responsibility on unionists to participate in Government with Sinn Féin.”\textsuperscript{130}

The British at last saw an opportunity for “permanent peace and sustainable devolved government.”\textsuperscript{131} Finally, there had been a breakthrough on IRA disarmament. Moreover, social perceptions, so damaged by earlier political instability, had begun to improve. Following British reassertion of indefinite control, and thus political stability in 2003, perceptions of improved inter-communal relations relative to those recorded five years previously rose 14 percentage points to 44%.\textsuperscript{132} This is especially remarkable considering that the comparison year for five years previously was 1998, the year of the Peace Agreement. In the next two years, this measure of perceived improved relations improved again, and consistently remained above 50% of individuals polled. The population was also growing more optimistic about the future at a similar rate, with over 56% in 2004 believing relations between Catholics and Protestants would continue to improve compared to 39% in 2002 believing relations would improve.\textsuperscript{133} British intervention had interrupted the vicious cycle of violence and separation, and its effects seem to have in part broken the hold of divisive and fear inducing rhetoric.

Once Sinn Féin made its accommodation, the issue, then, became how to budge both parties, but now particularly the DUP, from their uncompromising rhetorical stances—to eliminate

\textsuperscript{129} Hain, \textit{The Hain Diaries}, Kindle Locations 6012-6016.
\textsuperscript{131} Ibid.
\textsuperscript{132} “Surveys Online Community Relations and Political Attitudes.”
\textsuperscript{133} Ibid.
the moral hazard. Devolving power back to Northern Ireland, while desired by both Sinn Féin and the DUP, seemed to promise a chaos given the way each side had built a platform based around a refusal to compromise.

In April 2006, the British unveiled their solution, finally recognizing the ways that their frequent interventions had changed incentives. Now, if current negotiations between Sinn Féin and the DUP failed again, the Assembly and Executive would be completely dissolved, with salaries forfeited, “until there is a clear political willingness to exercise devolved power.” The devolved government would be replaced by “joint British-Irish partnership arrangements” to carry out the Good Friday Agreement. Later, in a statement serving as a direct rebuttal to DUP statements at the beginning of the year, the Secretary of State, with an implicit admonition to the DUP, warned both sides, “The sequence set out at St Andrews will not be set aside and no one should think that this is some kind of a virility test to see who blinks first. If the Assembly has to be dissolved because we cannot move forward then it will be.”

When the parties met at a hotel in St. Andrew’s to negotiate and prevent the dissolution of the Assembly, the DUP again, according to Hain, made “a big fist of it and we had a classic ‘we won’t jump unless the others jump first’ situation.” Seeing this, Hain became even more direct. “You are the problem. You won’t budge. Everyone else has been flexible. Still, if that’s the way it has to be, I will immediately put in place arrangements for the Assembly to be pulled down.” This produced a “tremendous reaction” from the DUP.

Following this moment, when the risks associated with not compromising and continued rhetorical antagonism became unacceptable, and when personal incentives were added, major

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134 “Joint Statement by Taoiseach Bertie Ahern and British Prime Minister Tony Blair.”
135 Ibid.
137 Hain, The Hain Diaries, Kindle Locations 6274-6275.
138 Hain, The Hain Diaries, Kindle Locations 6078-6079.
139 Hain, The Hain Diaries, Kindle Locations 6082-6085.
negotiating breakthroughs occurred. Sinn Féin had already satisfied most requirements of the Belfast Agreement through IRA decommissioning. This did not, however, mean a loss of bargaining power relative to the DUP. The dissolution of government could only be undone if Sinn Féin agreed to new terms, and the DUP needed to complete a deal. As the UUP gleefully pointed out, “this statement confirms the complete failure of DUP policy. There is clearly a renewed commitment from both London and Dublin to the implementation of the Agreement, with or without devolution.”\footnote{Statement by Reg Empey, on the recalling of the Northern Ireland Assembly, (6 April 2006),” CAIN Web Service, http://cain.ulst.ac.uk/issues/politics/docs/uup/re060406.htm.} If the DUP could not reach an agreement, not only would the Good Friday Agreement Ian Paisley had recently claimed dead be executed in full, The Republic of Ireland would assume a joint role in governance with Britain. The DUP strategy would have ended with more Irish Catholic influence than ever before.

Gerry Adams insisted that for Sinn Féin, “change will continue either through the Good Friday institutions or, failing that, through the new partnership arrangements which Sinn Féin is already discussing with the two governments.”\footnote{Gerry Adams Presidential Address Ard Fheis 2007,” Sinn Féin, March 3, 2007, http://www.sinnfein.ie/ga/contents/8624.} However, Sinn Féin also did not want to sacrifice either power or funding. Sinn Féin appealed to the DUP to work together on any policy, even the most mundane, in which the two parties might work together for the benefit of Northern Ireland. In one speech, Gerry Adams discussed the need to work together to lower “water charges”—charges on water and sewage—imposed by Britain.\footnote{Ibid.}

The DUP and Sinn Féin agreed to an amended version of the Belfast Peace Agreement called the St. Andrew’s Agreement, and started procedures to elect a new Assembly.\footnote{“Timeline: Northern Ireland Assembly.”} Each party was able to claim for its constituents that its previous strategies had worked to bring about joint governance. Sinn Féin was able to state that, “We got to this point as a result of the peace
strategy set out by the Sinn Féin leadership more than a decade ago.” Meanwhile, the DUP claimed it had finally delivered a “fair deal” in a new political manifesto titled “Getting it Right.”\textsuperscript{144} The party reminded its constituents that it “forced republicans to jump first and deliver before unionists are expected to move.” This was a dubious claim, but because the DUP had managed to portray itself this way to its constituents, the leadership could more confidently assert that, because of DUP strategy, “you cannot fill a telephone box with Ulster Unionist MPs.” The UUP for its part released a two-page manifesto highlighting how little, for all the bluster, the DUP had achieved.\textsuperscript{145} UUP leader Reg Empey articulated his party's response to the DUP's efforts over the years, “Tempting as it is to keep banging on that the DUP are merely a bunch of hypocrites who have adopted our polices only after we had tested the water and taken the risk - such an attitude doesn’t really get us anywhere.”\textsuperscript{146}

One significant change in the new agreement that might have made a difference for the UUP's retaining its majority back in 2000 was the elimination of the Northern Ireland Act of 2000 that allowed Britain easily to suspend and reconvene Northern Ireland’s Assembly.\textsuperscript{147} The Act, asked for by the UUP, had certainly undercut moderates by making suspension a viable political option. The St. Andrew’s Agreement itself, then, admitted the presence of moral hazard created by suspensions of government by eliminating Britain’s power to easily suspend and restart government.

\textsuperscript{144}“Selected Political Manifestos - DUP Manifesto 2007.”
\textsuperscript{145}“Selected Political Manifestos - UUP Manifesto 2007.”
\textsuperscript{146}“Speech by Reg Empey, then leader of the Ulster Unionist Party (UUP), at the UUP Annual Conference, 21 April 2007,” CAIN Web Service, http://cain.ulst.ac.uk/issues/politics/docs/uup/re210407.htm.
Conclusion: Insuring a Chance for Peace

The "moral hazard" introduced in Chapter 2 makes it difficult to assess the impact of British intervention in Northern Ireland. The condition that insured peace and stability in Northern Ireland also encouraged political behavior that for years proved an obstacle to joint governance. It can, however, be argued that the British interventions bought the time that ultimately allowed for the conditions in which one party (Sinn Féin) found less risk in yielding a bargaining position than in refusing to compromise; and that this behavior forced the other party (the DUP) to at last accept one final offer to attempt to govern in good faith in a devolved government. In the end, the parties were pushed into governance by the joint British-Irish threat of dissolving the Assembly, and Great Britain had removed the temptations of moral hazard.

The history of the Nationalists and Unionists coming to participation in devolved government makes it extraordinarily difficult to offer conclusions about consociational government from the Northern Irish example. It came about under unique circumstances. That the British government played a significant, ongoing role in the years following the Belfast Agreement must be accounted for if one looks to understand the establishment or functioning of consociational government by studying the example of Northern Ireland. In addition, historians and political scientists need to factor in the influence of the Republic of Ireland and, to a lesser extent, the United States in assessing the Northern Irish model.

Although Great Britain devolves legislative powers to other constituent countries of the United Kingdom, it repeatedly suspended the devolved status of Northern Ireland following the 1998 Belfast Agreement. The final suspension lasted from 2002 to 2007, with devolved government in essence a goal rather than an actuality. Through these suspensions, Great Britain—together with the Republic of Ireland—provided a form of insurance protecting the future survival
of Northern Ireland’s new consociational government. Moreover, it ensured stable and prosperous governance throughout the years following 1998 by providing health services and a military, and by subsidizing the Northern Irish economy. Although all major political parties engaged in furious politicking over British control, suspensions together with stable governance decreased the importance of the Northern Irish government. The British role, as a result, influenced how the political parties behaved and how voters perceived the costs and benefits of political demands and rhetoric.

Some effects of British intervention are fairly clear. The British suspensions of the Northern Irish Assembly insured peace by providing more time for Northern Ireland’s political parties to negotiate and resolve stalemates. The issue of deadlines hampered the devolved government—when, for instance, decommissioning should occur. The British suspensions helped overcome this challenge by providing a period of time in which one party might move first to compromise without sacrificing power. Each party retained the power to maintain the government suspension. This in the end contributed significantly to Northern Ireland’s chances for consociational success. Northern Ireland’s political parties were able, over time, to overcome several early disagreements, and later a spying scandal that shook confidence in government.

The curious balance of political instability and governing stability offered by the British interventions also affected and contributed to societal perceptions. In the early years following the Belfast Agreement, Catholics and Protestants seem to have grown further apart, with prejudices and fears both incited by the more radical political parties and sustaining the appeal of the parties. But by 2003, continuing stability sustained through British interventions, reliable governance and economic subsidies seem to have contributed to diffusing intercommunal tensions, and eventually provided a time for social reconciliation after increasingly heated political exchanges.
It is also clear that Britain’s suspensions to insure peace increasingly encouraged those heated political exchanges. With peace and prosperity protected, political parties had more success with hardline rhetoric and uncompromising stances. These stances were staked out free from the risk of violence and economic decline. British intervention then, when considered in an analysis of consociational government, also impacted which political parties and which political platforms succeeded in Northern Irish politics.

Britain’s insuring of the peace process through both interventions and subsidies succeeded to a significant degree. Northern Ireland’s residents experienced improvements in their welfare throughout the period from 1998 through 2007. The economy grew and violence decreased. Moreover, British intervention eventually led to a government in 2007 that has now run without suspension through 2016. This is in spite of a number of incidents that potentially have threatened stability. In 2015, for example, DUP leaders threatened to walk out after evidence of continued, if isolated, IRA violence.\footnote{News, BBC. "Stormont Crisis: How the Story Unfolded." BBC News. Accessed November 22, 2016. http://www.bbc.com/news/uk-northern-ireland-34176740.} The new agreement, however, has held together, and even with recent political disagreements, there are plans for the peace walls in Belfast to come down by 2023.\footnote{Feargus O’Sullivan, "The Complex Process of Demolishing Belfast’s Peace Walls," CityLab. August 16, 2016, http://www.citylab.com/politics/2016/08/belfast-peace-walls-demolition/496070/.} Such plans suggest the chance for more intercommunal interaction eventually, and perhaps through such interaction the slow erosion of a Protestant Unionist/Catholic Nationalist division.

However, in the existing literature on consociational government, the issues raised are not only about how consociational government works in Northern Ireland. Political theorists wonder whether, given what we know, consociational government might be a viable solution to apply to other areas with national and religious conflicts, such as the Israel-Palestine conflict.\footnote{“Economics in Peacemaking."} Political scientists have tried to generalize Northern Ireland’s story to the level of theory, and this is likely
one reason that the existing literature has yet to address carefully the British role in consociational government in Northern Ireland. Once the British role is accounted for, generalization becomes extremely difficult. Northern Ireland’s situation is unusual and hard to replicate. It is a devolved government operating as part of a larger entity that has occasionally intervened in its affairs. Moreover, the British, when they intervened, worked together with the Republic of Ireland so that both Unionists and Nationalists felt represented by an outside party they could trust; and together Britain and the Republic of Ireland worked to produce the St. Andrew’s Agreement. It is a unique circumstance for a country with two rival groups to be surrounded by two other countries that worked in harmony to represent the two groups within the divided country.

When analyzing Northern Ireland, then, one conclusion is that the role of the British Government, in partnership with the Republic of Ireland, makes it extremely difficult to generalize about the possibilities offered by consociational governance. One can only conclude that successful consociational government might be induced when outside governments that represent the two disparate groups joining in government work together to control the conditions in which political compromises are achieved. It is impossible to determine, from the Northern Ireland example, if consociational government could work well without strong outside support.

In trying to determine whether this is possible, one ends up having to construct counterfactual histories. The result is a variety of plausible stories that one could tell. It is possible that without the moral hazard from the possibility of suspension, more moderate parties would have found more success in consolidating support. Initially radical parties, even as they became more centrist, might have been seen as too risky to achieve a majority. However, one might also anticipate a different story in which timing difficulties would have been too difficult to overcome, even for more moderate parties. A party like the SDLP had little control over IRA decommissioning. With political instability, the economy stalls, unemployment rises, and distrust
of the other community grows. Radicals, feeling excluded from government, would then have had a large pool of disaffected young people from which to recruit, and might have fallen back into old patterns of violence. The consociational agreement would then have disintegrated.

Looking only at Northern Ireland without British intervention, there is no way to know for certain which story would have played out in this counterfactual world.

The most definitive answer comes from understanding the British government as a form of insurance. Ultimately, when the Blair government in the Northern Ireland Act of 2000 wrote an insurance policy for Northern Ireland, it also assumed the risks of moral hazard. While attempting to insure against catastrophic events, the British government also increased the chances of unforeseen negative behaviors. Without question, the negative behavior of both Sinn Féin and the DUP stalled the movement to a functional consociational government. Nevertheless, the British insurance, over time, successfully prepared the way for the outcome that had been envisioned in the Belfast Agreement of 1998.
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