



The 2017 Northern Ireland Assembly election

Akash Paun and Aron Cheung

Summary

- Northern Ireland enjoys high but declining public spending
- Attitudes to Brexit divide along sectarian lines
- Northern Ireland receives more EU funding per head than the rest of the UK
- Northern Ireland does not want a return to Westminster rule
- DUP and Sinn Féin dominance is unlikely to change
- Sectarian identities have weakened but the political system has not caught up

The people of Northern Ireland go to the polls on 2 March to elect a new devolved Assembly. This election is the result of the breakdown of the governing coalition between the Democratic Unionist Party (DUP) and Sinn Féin, whose leader in the Assembly, Martin McGuinness, resigned as Deputy First Minister in January.

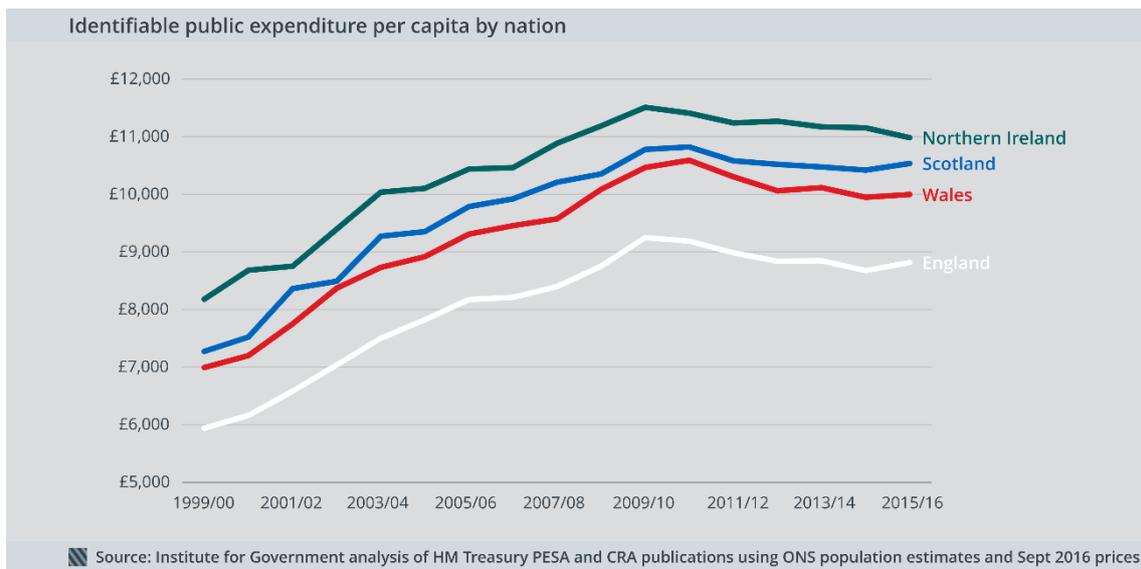
Under Northern Ireland's power-sharing system, established following the 1998 Good Friday Agreement, the devolved government in Belfast must comprise the largest party

from each of the unionist and nationalist communities, whose nominees jointly run the government as First Minister and Deputy First Minister. The resignation of McGuinness and the refusal of Sinn Féin to propose an alternative candidate for Deputy First Minister left the UK Government with little choice but to dissolve the Northern Ireland Assembly just ten months into its five-year term.

The immediate catalyst for the government split was the Renewable Heat Incentive scandal relating to overpayments and waste as part of a government scheme to support renewable energy. First Minister and DUP leader Arlene Foster became personally embroiled in the affair, having formerly been the responsible minister for the scheme. After she refused to step aside pending an investigation, Sinn Féin opted to pull the plug on power sharing.

Northern Ireland enjoys high but declining public spending

Figure 1



Northern Ireland has the highest level of public spending of any of the four UK nations (21% above the UK average, Figure 1). However, the impact of austerity since the 2008 financial crisis increased pressure on public services in Northern Ireland, as in the rest of the UK. Having risen over 40% in the first decade of devolution, real-terms public spending per person has fallen by 5% since 2009/10.

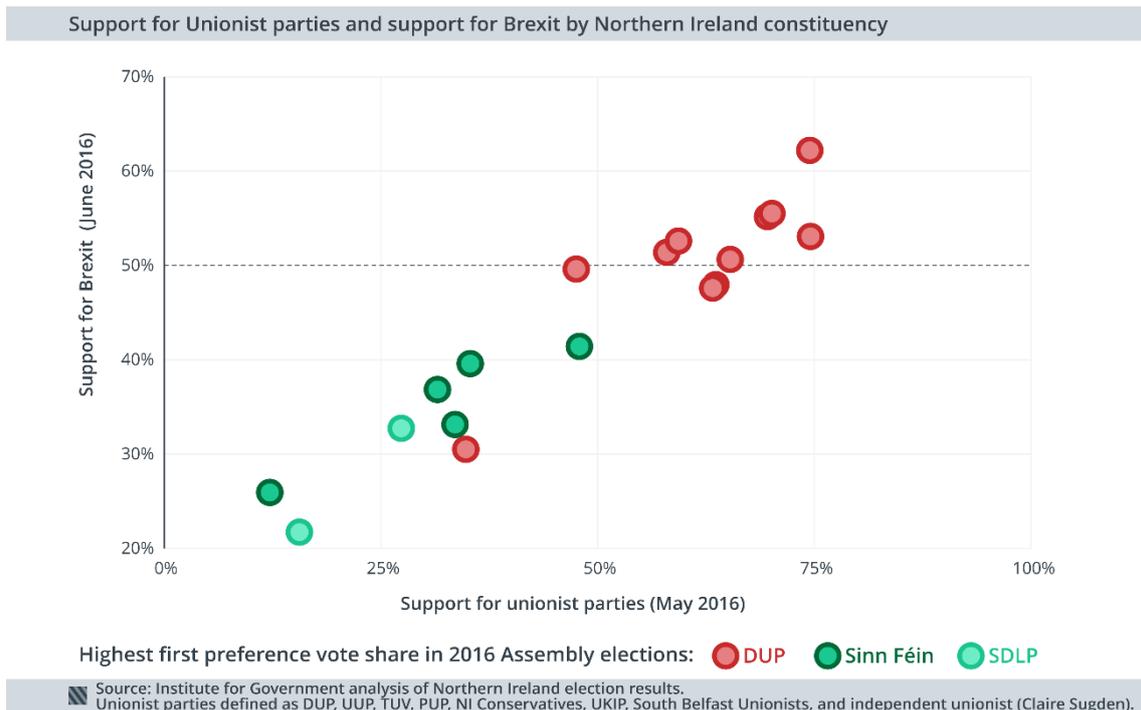
Power sharing teetered close to collapse a number of times in the last Assembly session, when refusal by Sinn Féin to implement Westminster-mandated welfare reforms caused a budget crisis. Extensive diplomacy by the UK and Irish governments, along with additional funding guarantees, was required to keep the coalition show on the road.

Since the 2016 election, there have been further disputes between the government partners over legacy issues relating to the Troubles, and other symbolically important

matters such as the status of the Irish language. In addition, the two parties are on opposite sides of the Brexit debate: DUP backed Leave, while Sinn Féin favoured Remain, largely out of concern that Brexit would lead to a hardening of the border with the Republic.

Attitudes to Brexit divide along sectarian lines

Figure 2

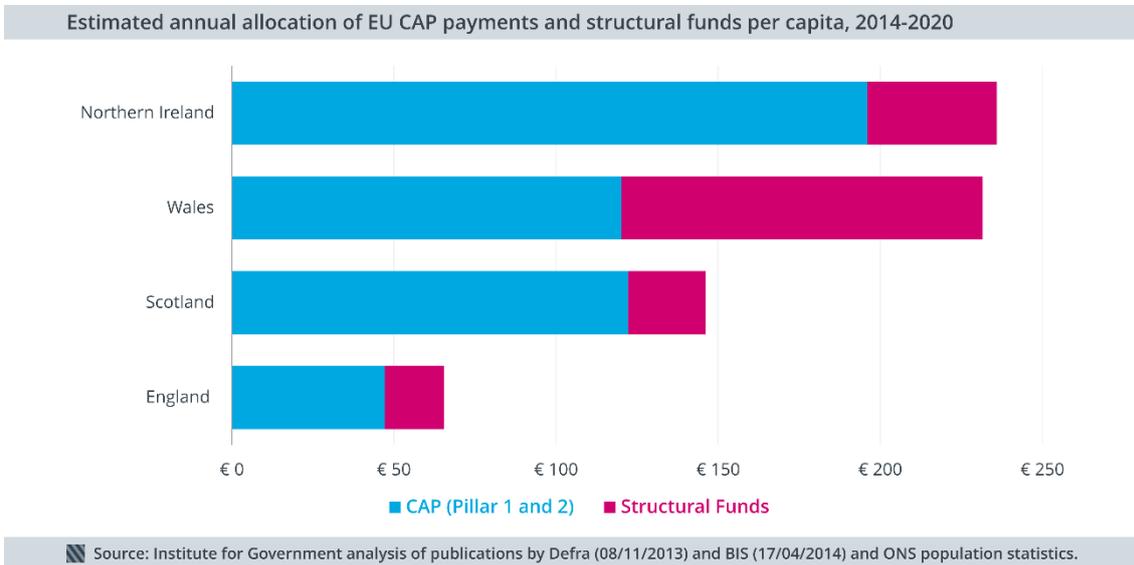


Northern Ireland as a whole voted by 56% to 44% to remain in the EU, but the disagreement within the Northern Ireland Executive on the issue reflects an underlying division between nationalist and unionist communities.

Analysis of voting patterns at the level of Northern Ireland’s 18 constituencies (Figure 2) reveals that the areas voting to leave the EU are among the most strongly unionist parts of Northern Ireland, while the Sinn Féin- and SDLP-dominated nationalist areas all favoured Remain. The correlation between support for Brexit in June 2016 and support for a unionist party in the Assembly election one month previously is very strong (0.95). These findings illustrate that Brexit poses a risk of undermining relations between the two communities and between the parties that represent them in the Northern Ireland Assembly.

Northern Ireland receives more EU funding per head than the rest of the UK

Figure 3



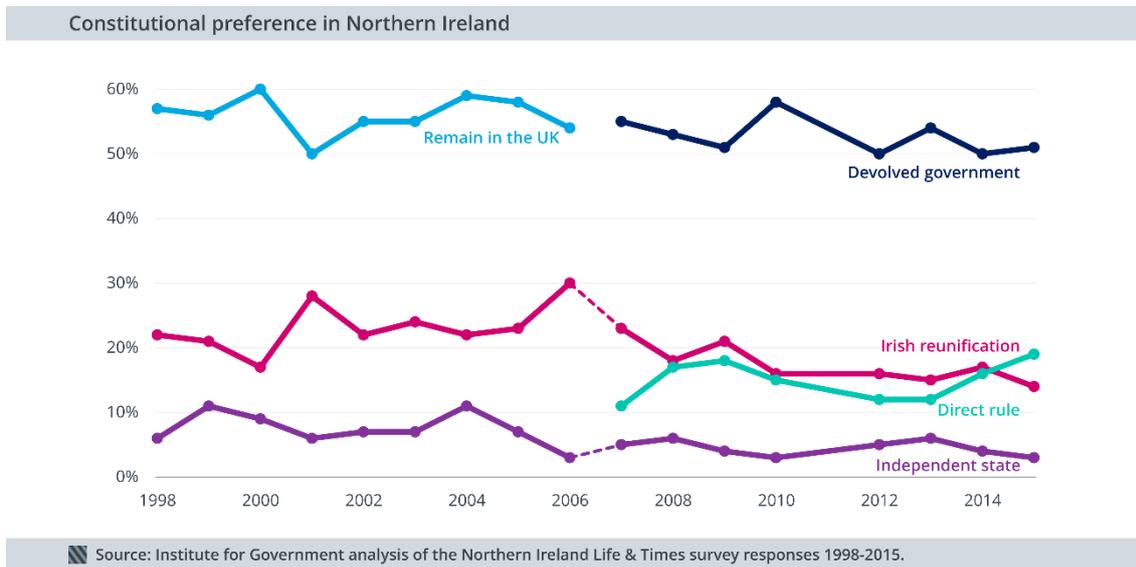
While Northern Ireland is politically divided on the principle of Brexit, the two outgoing coalition parties were able to unite in calls for the UK Government to pay close attention to the risks it poses to Northern Ireland. These include the prospect of a disruption in trade between the North and South of Ireland, whether a result of border controls or regulatory divergence once the UK leaves the Single Market.

Northern Ireland also receives a markedly higher level of EU funding per person than England and Scotland (Figure 3). The Northern Ireland agriculture industry is particularly dependent on EU common agricultural policy (CAP) subsidies. A significant proportion of the EU structural funds spent in Northern Ireland has been allocated specifically to support cross-border co-operation between the two parts of Ireland.

Even though EU funding represents a small fraction of overall public spending, the loss of these funds would hit certain sectors and regions disproportionately hard. So, securing long-term funding guarantees from the UK Government is likely to remain a priority for Northern Ireland ministers after the upcoming election, if a new government can be formed.

Northern Ireland does not want a return to Westminster rule

Figure 4



If a cross-community coalition cannot be formed following this election, then the UK Government may be compelled to resume ‘direct rule’ of Northern Ireland. In practice, this would mean UK ministers in the Northern Ireland Office taking control of devolved public services and spending decisions. This last happened for more than four years after a 2002 breakdown in power sharing.

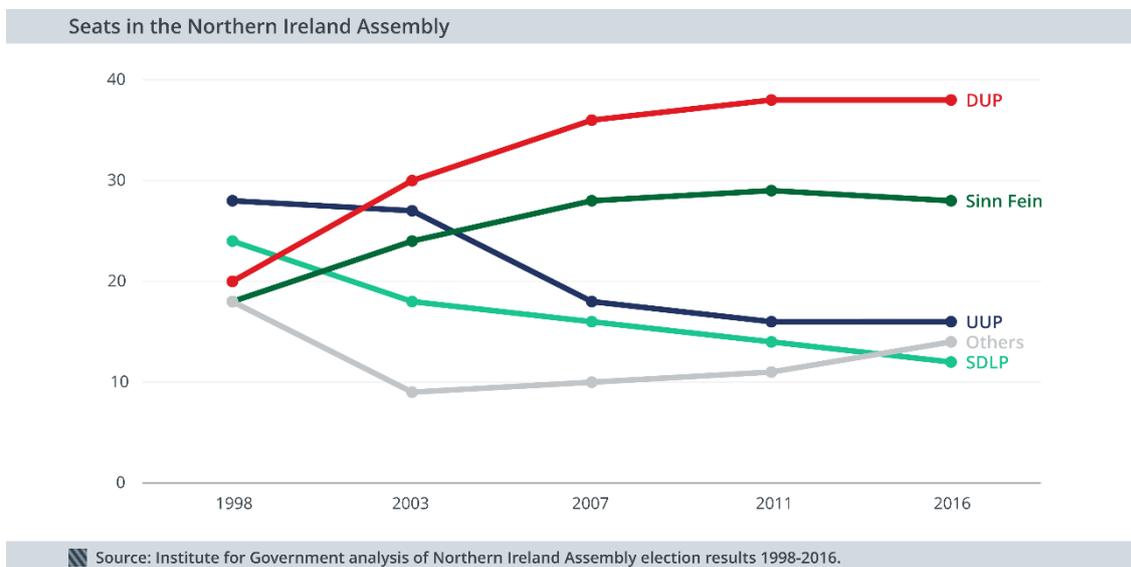
But a return to direct rule from Westminster would command little support in Northern Ireland (Figure 4), and would represent a rather embarrassing and distracting development for the UK Government itself.

The annual Northern Ireland Life and Times Survey has consistently found that devolved government is by far the most popular constitutional option among both protestants and Catholics in Northern Ireland, commanding support of around half the population overall. By contrast, in the most recent published data (collected in 2015) just 19% backed direct rule from London and 13% Irish reunification, although the impact of Brexit on these figures remains to be seen.

Reunification, it should be added, could in any case happen only with the consent of the Irish Government and voters too, which is far from guaranteed. The Social Democratic and Labour Party (SDLP) has called for joint rule from London and Dublin as an alternative way out of the impasse, but unionist parties would oppose any significant move in this direction.

DUP and Sinn Féin dominance is unlikely to change

Figure 5



In the early years of devolution, the more moderate Ulster Unionist Party (UUP) and SDLP were the major parties of their respective communities, and these two parties – with historic links to the UK Conservatives and Labour – therefore filled the posts of First Minister and Deputy First Minister until 2002. Power sharing then collapsed amid allegations of IRA spies operating within the Assembly, and by the time the parties could be persuaded to work together once more in 2007, it was the harder-line DUP and Sinn Féin that dominated (Figure 5).

Despite their fraught relationship, the DUP and Sinn Féin have jointly led the Northern Ireland Executive for ten years. They governed in coalition with the smaller UUP, SDLP and Alliance parties for most of the period, but the smaller parties opted to go into opposition after the 2016 election, following rule changes that recognised and funded official opposition parties for the first time. Regarded as an important ‘normalising’ step for Northern Ireland, this change was intended to create an effective opposition to hold government to account. But without the centrist parties to help broker compromises within government, the fundamental lack of trust between the two largest parties has become all too apparent.

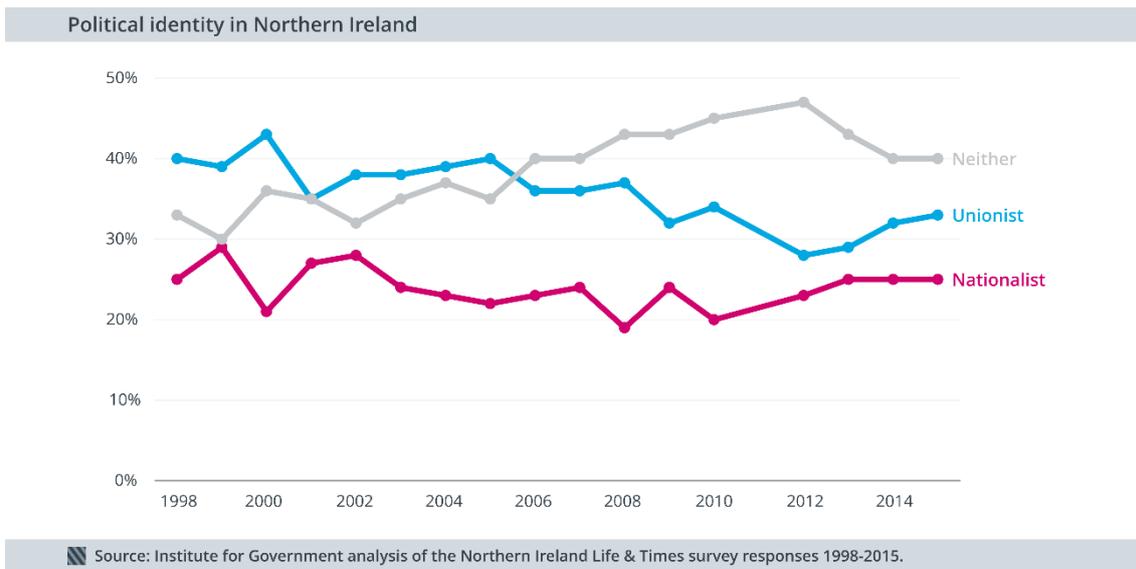
Opinion polls suggest that they are likely to retain their dominance once more in the upcoming election, although there is an outside possibility that Sinn Féin could overtake the DUP to become largest party for the first time.

Another key issue is whether the DUP fall below 30 seats, which would deprive them of their effective unilateral veto power over much Assembly business, under the ‘petition of concern’ process. With the Assembly shrinking from 108 to 90 seats, this is a possibility, especially if the Renewable Heat Incentive scandal eats into DUP support.

Whatever the exact election result, the main question afterwards is likely to be whether the DUP's Arlene Foster and new Sinn Féin Assembly Leader Michelle O'Neill are willing and able to set aside their differences and form a new coalition.

Sectarian identities have weakened but the political system has not caught up

Figure 6



Even though the party political system remains organised principally along the old sectarian lines, the devolution era has seen a significant rise among those choosing to identify as neither unionist nor nationalist (Figure 6), although this trend appears to have tailed off in recent years.

The fact that around 40% of voters profess themselves to be neither unionist nor nationalist might be taken as evidence that non-aligned parties such as Alliance should be well-placed to make a breakthrough. This has not happened yet, and a major change on 2 March appears unlikely. When it comes to the ballot box, old habits die hard it seems. The structure of the power-sharing settlement may also make realignment less likely, given the legal requirement for government to be jointly led by unionist and nationalist parties.

About the authors

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