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Conservatives strike deal with the DUP: experts react

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Theresa May has agreed on terms with the DUP to support her government. PA/Dominic Lipinski

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After more than two weeks of negotiating, Theresa May, the UK prime minister, has reached a confidence and supply deal with Northern Ireland's Democratic Unionist Party (DUP). In exchange for parliamentary support for her minority government, May has pledged to invest around an extra £1 billion in Northern Ireland, largely to be spent on health, education and infrastructure. Below, our experts respond to the development.

The view from Belfast

John Garry, professor of political behaviour, Queen's University Belfast.

“Our aim in these negotiations has been to deliver for *all* of the people of Northern Ireland.” DUP leader Arlene Foster’s heavy emphasis on the word “all” when announcing her deal with the Conservative government illustrates the way her party will sell this deal as a victory for Northern Ireland rather than a victory for the DUP or for unionism.

Everyone is in favour of great wads of cash, after all, and the DUP is bringing it home by the bucket load from London. The figure of £1 billion has a very nice round and rosy look to it and the DUP will quite rightly be able to boast that it has played a blinder at the negotiation poker table. There are promises of investments in Northern Ireland’s hospitals, roads and schools. It’s hard to knock that, whatever your community background.

And, right on script, the Welsh and the Scots are hopping mad with envy, which is fantastic news for the DUP. The greater their incandescence, the more savvy a political player Foster looks. Even the English are bemoaning the greater resources going to Northern Ireland. It’s very hard for political opponents to caricature Foster as primarily driven by a unionist agenda if she has managed to annoy the entire rest of the UK by redirecting British gold to Belfast.

It’s crucial for the DUP that the coverage of this deal is about money for Northern Ireland as it will facilitate a story of ruthlessly effective engagement by the DUP at Westminster to improve the everyday lives of everyone in Northern Ireland – in contrast, the DUP will argue, to Sinn Féin’s policy of abstention. The greater challenge for the party is to convince people that this deal is completely separate from any emerging deal to re-establish a power sharing government in Northern Ireland.

The magic money tree blossoms

Stuart McAnulla, associate professor in politics, University of Leeds

The money involved in this deal is much less likely to worry the Conservatives than the political cost. Many will ask why the Conservatives’ election manifesto didn’t contain more of the kind of pledges now being made for Northern Ireland in this deal.

Having attacked Labour for offering endless funds from a “magic money tree”, the Conservatives will now be asked why money can seemingly be quickly found when it is politically expedient for them.

By no means were all Conservatives on board with this deal. Former prime minister John Major warned it could destabilise the Northern Ireland peace process. Others argued the Conservatives could have governed as a minority without a formal deal, as the DUP would have been unlikely to vote

against them in a confidence vote and risk the Republican-sympathetic Jeremy Corbyn becoming prime minister.



Deal on the table. PA

However, the deal does have clear benefits for the Conservatives. DUP backing is guaranteed on the issues of Brexit and security, and this could prove invaluable when controversial aspects of British withdrawal for the EU are debated. The deal offers May the possibility, however daunting, of leading Britain through Brexit, with the hope that successful leadership can turn around her fortunes. However in the short-to-medium term this arrangement will give ammunition to her opponents inside and outside the Conservative party.

Understanding the political play

Katy Hayward, senior lecturer in sociology, Queen's University Belfast

The deal will please the party's supporters in both style and content. The DUP's statement emphasises the "shared priorities" of the two parties when it comes to national security and Brexit. The security aspect of the deal is really an opportunity to draw parallels between the threat of terrorism in the UK and the NI experience, which the DUP does not wish to be forgotten. The focus on Brexit is an attempt to show that DUP party interests are the same as "national" ones – even where they apparently conflict with the regional interests of Northern Ireland.

The 56% Remain vote in Northern Ireland and the consistent evidence of the economic dangers posed to NI by a hard Brexit are made subservient here to the greater ideological cause. DUP leaders want to present themselves as dedicated evangelists for exiting the EU.

In terms of the details of the financial plan, there is no sense here of the future development of the UK or Northern Ireland's place within it. The DUP wish list is made up of very local concerns (such as Belfast's York Street interchange) and some rather vague demands (enhanced promotion of NI through UK embassies). Together, these demands fall far short of meeting the financial challenges that already exist in Northern Ireland, or that are bound to come as a result of Brexit.

A corporation tax sweetener

Grahame Steven, lecturer in accounting, Edinburgh Napier University

The UK currently has a single corporation tax rate – but this is apparently going to change. The agreement between the Tories and the DUP states that one of their first tasks is to devolve control of corporation tax rates to Northern Ireland.

If Stormont sets the Northern Irish tax rate lower than the rest of the UK, some companies will naturally be tempted to be taxed there. While this wouldn't be practical for many companies – manufacturers, say, or retailers with face-to-face businesses – it could open up opportunities for plenty of others, in particular e-businesses. Still, if the rates were significantly lower, manufacturers could be tempted to set up marketing and research development activities in Northern Ireland to gain a tax advantage, as many companies have done in the Republic of Ireland.

So how does this work? The internet allows businesses to deal directly with their customers wherever they're located. Legally speaking, websites that display products are "invitations to treat"; an invitation is "accepted" when a confirmation email is sent to a customer from the country where the order is accepted. So provided they accept orders via the internet, companies can choose where they want to be taxed. Perhaps Amazon, Apple, Google and so on will start looking for office space in Belfast.

Still, this could be just the beginning. If the corporation tax promise is fulfilled, the Scottish government will surely consider seeking the same power. Should Wales enter the fray, the UK could end up with four tax jurisdictions competing for business by reducing tax rates. May's government might just have kick-started a new race to the bottom.

Historical precedent

Conor Mulvagh, lecturer in Irish history, University College Dublin

It's useful to consider some historical precedents for this deal. Between two major seat redistributions in the Representation of the People Acts of 1884 and 1918, Irish MPs managed to hold the balance of power in no less than four of the eight general elections held: 1885, 1892, and twice in 1910. Since the south of Ireland gained independence in 1922 and ceased to send MPs to Westminster, Northern Irish

Westminster MPs have had occasion to call the shots when UK governments were clinging to power – but never before have they secured a position as commanding as that now held by the DUP.

The 1885 general election was the first time that British electors were rudely awakened to the fact that Irish MPs could seize the balance of power at Westminster and dictate the terms of their support. Charles Stewart Parnell, leader of the Irish Nationalist Home Rule party, was in a manifestly better position than that which DUP leader Arlene Foster occupies today. His party's 86 seats could either grant Gladstone's Liberal party a comfortable majority or he could combine with the Conservatives to produce a dead even split: 335 seats apiece. Parnell was not ashamed to entertain overtures from both parties. He extracted major concessions from Gladstone which ultimately split the British Liberal party over home rule in 1886. Foster does not have such a strong hand today. She can either prop up the government with a tight margin or she can send the entire country back to the polls.

In 1886, home rule was the price Parnell charged for his support, and all players knew in advance that would be the demand on the table. In 2017, the mainstay of the DUP deal with the Conservative party is cold hard cash. Only time will tell what impact an additional £1 billion in government spending will have for communities across Northern Ireland.

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