

Focus on the strategic

agendaNi - April 2011

Northern Ireland residents expect devolved government to have obvious advantages; inclusive cross-party agreement and government where policy has been moulded to meet the particular needs of the region. However the Assembly has not, in the main, embraced such ideals.

Northern Ireland has had particular circumstances, not unique in the international context, that the political process has had to overcome. In particular, the 1998 'Belfast Agreement' represented a significant attempt to deal with the issue of inter-group conflict.

From my perspective, in Northern Ireland the 'unionist' and 'nationalist' viewpoints both have equal legitimacy as viewpoints. However legally they are different. Northern Ireland, as part of the United Kingdom, is the legal position accepted by international law whereas the status of the nationalist viewpoint is that of a legitimate right to wish for a change in Northern Ireland's position within the United Kingdom. No person's viewpoint should be denied. However the advocacy of any viewpoint should be both by legitimate peaceful means and also without stymieing the very necessary process of democratic political decision making.

As a Minister in the first post-devolution Assembly (1999 - 2002), my experiences were varied. The OFMdFM department: with its divided (shared) responsibilities this meant no real responsibility. There was no clear sense of ownership of one's work; it was at times needless and time consuming; and officials, lacking clear Ministerial direction, made some decisions. This was not a recipe for good governance.

In the Environment department the situation was entirely different: a single Minister with an ability to make decisions. However, the overall backcloth was one of continued uncertainty. For example; was decommissioning dealt with and was the para-military violence ended?

The second post-devolution Assembly (2007 - 2011) was different in some respects. Stability of the institutions was more assured. Also; the freezing of regional rates, free prescriptions, free transport for the over 60s are cited as examples of the Assembly's success. But, there was little if any indication of Ministers acting in a cohesive manner by delivering on a Programme for Government. There was no indication of genuine strategic delivery.

Good governance requires not only the identification and consideration of strategy but also a willingness to make decisions. Both aspects have been largely missing from the last Executive and, given today's economic reality, this procrastination is a luxury that the in-coming Executive cannot afford.

The United Kingdom has three levels of government: national, regional and local. Both national and local have tax varying powers and thus it seems logical that the middle layer of government should also have such powers. Indeed, the Assembly already has some taxation powers by means of Regional Rates.

The link between elected representatives and tax varying powers is an accepted feature of a democratic society. The argument should apply even more forcibly if the body, like the Assembly, has extensive legislative powers.

Presently, there is an argument favouring lowering corporation tax; it might cost £300million but that's small compared with the £12billion block grant. Others, less favourable to lowering corporation tax, argue that all should not benefit from its reduction - like possibly banks. But such arguments surrounding tax varying powers miss a very important point: fiscal discretion by all governments is exercisable at the 'margin' (the economics of 'marginal' costs compared with gains). An Executive that has full fiscal discretion should help ensure it gives proper attention to financial allocation considerations. This should lead to better decision making.

The present debate regarding the merits or otherwise of reducing corporation tax is pre-emptive. Let tax varying powers be devolved and then let the debate begin as to whether or how such powers could or should be deployed. This should, indeed must, bring greater maturity to the Assembly and the Executive.

Two periods of devolved government have come and gone. The third period must bring to politics much improved strategic decision making if the public are to have enduring confidence in the Assembly and Executive.

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