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By Stefan Boscia

Biden's Northern Ireland ultimatum looks doomed to fail

Ультиматум Байдена щодо Північної Ірландії, схоже, приречений на провал

Джо Байден не відомий своєю тонкістю. Його схильність до помилок — через яку він сплутав команду Нової Зеландії з регбі з британськими військами часів війни за незалежність Ірландії — не залишає жодних нюансів. Але він також є сентиментальною людиною з давно минулої епохи Вашингтона, який спеціалізується на типі домотканой, жахливої привітності, яка вважалася б непристойною для молодшого президента. В Белфасті було продемонстровано його відсутність тонкощів, коли він висунув ледь прихований ультиматум Демократичній юніоністській партії (DUP) — повернутися до домовленостей про розподіл влади в Північній Ірландії або ризикувати втратою мільярдів доларів американських інвестицій.

<https://www.politico.eu/article/us-president-joe-biden-northern-ireland-ultimatum-doomed-to-fail/>

Joe Biden is not someone known for his subtlety.

His gaffe-prone nature — which saw him last week confuse the New Zealand rugby team with British forces from the Irish War of Independence — leaves little in the way of nuance.

But he is also a sentimental man from a long gone era of Washington, who specializes in a type of homespun, aw-shucks affability that would be seen as naff in a younger president.

His lack of subtlety was on show in Belfast last week as he issued a thinly veiled ultimatum to the Democratic Unionist Party (DUP) — return to Northern Ireland's power-sharing arrangements or risk losing billions of dollars in U.S. business investment.

The DUP — a unionist party that does not take kindly to lectures from American presidents — is refusing to sit in Stormont, the Northern Ireland Assembly, due to its anger with the post-Brexit Northern Ireland protocol, which has created trade friction between the region and the rest of the U.K.

The DUP is also refusing to support the U.K.-EU Windsor Framework, which aims to fix the economic problems created by the protocol, despite hopes it would see the party reconvene the Northern Irish Assembly.

The president on Wednesday urged Northern Irish leaders to “unleash this incredible economic opportunity, which is just beginning.”

However, American business groups paint a far more complex and nuanced view of future foreign investment into Northern Ireland than offered up by Biden.

Biden told a Belfast crowd on Wednesday there were “scores of major American corporations wanting to come here” to invest, but that a suspended Stormont was acting as a block on that activity.

One U.S. business figure, who spoke on condition of anonymity, said Biden's flighty rhetoric was “exaggerated” and that many businesses would be looking beyond the state of the regional assembly to make their investment decisions.

The president spoke as if Ulster would be rewarded with floods of American greenbacks if the DUP reverses its intransigence, predicting that Northern Ireland's gross domestic product (GDP) would soon be triple its 1998 level. Its GDP is currently around double the size of when the Good Friday Agreement was struck in 1998.

Emanuel Adam, executive director of BritishAmerican Business, said this sounded like a “magic figure” unless Biden “knows something we don't know about.”

DUP MP Ian Paisley Jr. told POLITICO that U.S. politicians for “too long” have “promised some economic El Dorado or bonanza if you only do what we say politically ... but that bonanza has never arrived and people are not naive enough here to believe it ever will.”

“A presidential visit is always welcome, but the glitter on top is not an economic driver,” he said.

Facing both ways

The British government is hoping the Windsor Framework will ease economic tensions in Northern Ireland and create politically stable conditions for inward foreign direct investment.

The framework removes many checks on goods going from Great Britain to Northern Ireland and has begun to slowly create a more collaborative relationship between London and Brussels on a number of fronts — two elements which have been warmly welcomed across the Atlantic.

Prime Minister Rishi Sunak has said Northern Ireland is in a “special” position of having access to the EU’s single market, to avoid a hard border with the Republic of Ireland, and the U.K.’s internal market.

“That’s like the world’s most exciting economic zone,” Sunak said in February.

Jake Colvin, head of Washington's National Foreign Trade Council business group, said U.S. firms wanted to see “confidence that the frictions over the protocol have indeed been resolved.”

“Businesses will look to mechanisms like the Windsor Framework to provide stability,” he said.

Marjorie Chorlins, senior vice president for Europe at the U.S. Chamber of Commerce, said the Windsor Framework was “very important” for U.S. businesses and that “certainty about the relationship between the U.K. and the EU is critical.”

She said a reconvened Stormont would mean more legislative stability on issues like skills and health care, but added that there were a whole range of other broader U.K. wide economic factors that will play a major part in investment decisions.

This is particularly salient in a week where official figures showed the U.K.'s GDP flatlining and predictions that Britain will be the worst economic performer in the G20 this year.

“We want to see a return to robust growth and prosperity for the U.K. broadly and are eager to work with government at all levels,” Chorlins said.

“Political and economic instability in the U.K. has been a challenge for businesses of all sizes.”

Prime Minister Rishi Sunak has said Northern Ireland is in a “special” position of having access to the EU’s single market | Pool photo by Paul Faith/Getty Images

Her words underline just how much global reputational damage last year's carousel of prime ministers caused for the U.K., with Bank of England Governor Andrew Bailey recently warning of a “hangover effect” from Liz Truss' premiership and the broader Westminster psychodrama of 2022.

America's Northern Ireland envoy Joe Kennedy, grandson of Robert Kennedy, accompanied the president last week and has been charged with drumming up U.S. corporate interest in Northern Ireland.

Kennedy said Northern Ireland is already “the No. 1 foreign investment location for proximity and market access.”

Northern Ireland has been home to £1.5 billion of American investment in the past decade and had the second-most FDI projects per capita out of all U.K. regions in 2021.

Claire Hanna, Westminster MP for the nationalist SDLP, believes reconvening Stormont would “signal a seriousness that there isn't going to be anymore mucking around.”

“It's also about the signal that the restoration of Stormont sends — that these are the accepted trading arrangements,” she said.

Hanna says the DUP's willingness to “demonize the two biggest trading blocs in the world — the U.S. and EU” — was damaging to the country's future economic prospects.

'The money goes south'

At a more practical level, Biden's ultimatum appears to carry zero weight with DUP representatives.

DUP leader Jeffrey Donaldson made it clear last week that he was unmoved by Biden's economic proclamations and gave no guarantee his party would sit in the regional assembly in the foreseeable future.

“President Biden is offering the hope of further American investment, which we always welcome,” Donaldson told POLITICO.

“But fundamental to the success of our economy is our ability to trade within our biggest market, which is of course the United Kingdom.”

A DUP official said U.S. governments had been promising extra American billions in exchange “for selling out to Sinn Féin and Dublin” since the 1990s and “when America talks about corporate investment, we get the crumbs and that investment really all ends up in the Republic [of Ireland].”

“President Biden is offering the hope of further American investment, which we always welcome,” Donaldson said | Behal/Irish Government via Getty Images

“The Americans talk big, but the money goes south,” the DUP official said.

This underscores the stark reality that challenges Northern Ireland any time it pitches for U.S. investment — the competing proposition offered by its southern neighbor with its internationally low 12.5 percent rate on corporate profits.

Emanuel Adam with BritishAmerican Business said there was a noticeable feeling in Washington that firms want to do business in Dublin.

“When [Irish Prime Minister] Leo Varadkar and his team were here recently, I could tell how confident the Irish are these days,” he said. “There are not as many questions for them as there are around the U.K.”

Biden's economic ultimatum looks toothless from the DUP's perspective and its resonance may be as short-lived as his trip to Belfast itself.