

What reasons, domestic and external, resulted in the decline of Belfast as an industrial centre between 1919 and 1980?

After having been ‘a great, wide, vigorous, prosperous, growing city’ (Bardon, 1992, p.386) around the end of the nineteenth century, Belfast saw its industrial might decrease from the end of the First World War until the second oil shock in 1980. To understand that decline, it is necessary to start by an analysis of the initial situation, in 1919. The interwar period, from the Government of Ireland Act in 1920 to September 1939, also saw tremendous changes in the society and the economy of Belfast, and a comparison with the South and the U.K. can be illuminating. The Second World War itself had a very specific impact on Belfast, in terms of destruction but also because of the industrial focus provided by the war economy. From 1945 to around 1963, a somewhat more peaceful period could have provided a chance of reversing the trend, with improvements in the economy and a relative success in attracting new industries. However, the following social upheavals, the ‘Troubles’, resulting from the deep rift between communities, pointed to some significant problems. On top of this, the two oil shocks of 1973 and 1979 must be considered, in their global and local effects.

Belfast, and Northern Ireland in general, seemed to have emerged from the war with a strengthened economy, dominated by shipbuilding and the linen industry, unlike the South where agriculture was the main economical sector (cf. Kennedy, 1989, ch.5). The two shipyards, Harland and Wolff, and Workman and Clarke, were at their peak, with demand having dramatically increased during the war (see Lynch, 1997), and they

employed around 30,000 people. The linen industry, although past its peak, was still very healthy, driven by exports to the U.S. and Britain. The economy of Northern Ireland was essentially based on the prosperity of Belfast and its surrounding region, the North East, where manufactures and rich estates were concentrated, and mostly controlled by the Unionist majority; the South and the West, where most of the population was Catholic, were far less developed and more rural in outlook, and in this way closer to the rest of Ireland (cf. Kennedy, 1989). In comparison to the South, and to Britain, the North employed proportionally more women, and essentially in manufactures, not agriculture (Daly, 1997, ch.4). However, despite its apparent strength, Belfast's industries were based on unsound foundations: they were highly dependent on the outside, on imports because of the lack of raw materials available locally, and on exports to the U.K, and the U.S. to a lesser extent, because of the small size of the local market. Moreover, prosperity was not shared equally, either between Protestants and Catholics, or between employers and employees, and tensions had begun to appear. Compared to the rest of the U.K., unemployment in Northern Ireland was high; infrastructures were far from appropriate and in need of investment; and the economy was far below the average for the U.K.

The Government of Ireland Act in 1920, and the following Anglo-Irish Treaty of 1921, separated Northern Ireland from the Irish Free State; the Northeast, from being the industrial core of the island, became all of a sudden a peripheral region of the United Kingdom – a division motivated by politics, but not justifiable economically. Although it had its own parliament, Northern Ireland's policies, especially concerning taxation and public finances, were actually tied to Westminster (Brady, 1989, ch.7). Because of the

deep mistrust between the North and the Irish Free State, there was little coordination in the area of trade or common policies, a situation that would last well into the 1960s. Internally, the main goal of Unionism was to hold on to power (there was no Catholic M.P. in the local parliament), under the long and dull leadership of James Craig (later known as Craigavon), with scant regard for the Catholic minority and consequently frequent sectarian troubles (cf. Harkness, 1983, ch. 2 and 3). Because of this, there was a drastic lack of economic reform in the North, although much was needed to catch up with Britain. With the end of the post-war boom, and because of insufficient investment in new technologies and poor management, aggravated by the 1929 Great Depression, the shipyards went into crisis, with Workman and Clark closing in 1935, and Harland and Wolff surviving only at the price of a massive loss of jobs (Lynch, 1997). The crisis although affected the linen industry, which never recovered, and where in 1938 half the workforce was unemployed. The 'Economic War', a tariff battle between the Irish Free State now led by De Valera and Britain, from 1932 until 1938, would also have a heavy impact on the North, compounded by the lack of communications between the two parts. The government took too few initiatives to develop and attract new industries; the implantation of Shorts aircraft factory in 1937 was a rare success.

At the start of the Second World War in September 1939, unemployment in Northern Ireland was high, and there was a large amount of unused industrial capacity; the war, with its material needs, would therefore boost the economy, in sharp contrast with the South which had chosen neutrality, whose situation would more or less remain stagnant in that respect (Harkness, 1983, ch. 4). Ships, planes, uniforms, parachutes,

ammunitions had to be produced in great numbers, and Belfast evolved to meet the demand, especially under the more effective direction of Brooke (later known as Brookeborough). Heavy industry and agriculture exports exploded, and the transfer of funds from Britain to the province contributed to the raise of material standards, especially in comparison to the South; although German bombing raids took a terrible toll, they were only a temporary setback for the industries. In Northern Ireland, as in Britain, the war reinforced the feeling of community and of sharing between different social classes (the bombings were especially important in revealing the extreme poverty existing in Belfast), and the importance of planning and sound economic management. On the other hand, it did little to solve the sectarian issue, and accentuated the divide between North and South (Bardon, 1992, ch.12).

The years following the war saw initiatives like the Industrial Development Act in 1945, the Road Acts and the Transport Act in 1948, as well as social legislation from Westminster, in health care and public housing (Lee, 1989, ch. 6), which contributed to a general improvement of the economy. However, the Brooke government was trying to navigate between the pressure of the local trade unions and the Labour parliament in Westminster, and the need to keep British money flowing in. The old industries, shipbuilding and textile, as well as agriculture, were now in irremediable decline, only surviving thanks to public grants (Harkness, 1983, p.126); in the initial post-war years, though, demand for ships was still maintained, thanks to the Marshall aid to Europe, and the fact that the shipyards of Germany and Japan, the main competitors, had been devastated. New industries were attracted, especially in the textile (artificial fibres) or

chemical sector, and services were starting to appear but not in sufficient numbers to compensate completely for the loss of manufacturing jobs (Bardon, 1992, pp. 612-618). Far better off than the South economically, Northern Ireland was however the most disadvantaged region in the U.K. The Hall Report in 1962 recommended to stop supporting declining industries, and instead to try to attract investors. The society was still as divided as ever; although the extremist I.R.A. campaign from 1956-1962 failed, the new Catholic middle class was starting to voice its grievances more efficiently. After the establishment of the Republic of Ireland in 1948, tensions remained high and economic cooperation limited.

The O'Neill government, from 1963 until 1969, tried to solve these severe economical and social problems, but failed politically when trying to please all the extremes, between Catholics and Protestants, and Conservatives and Labour. O'Neill established contact with Dublin (meeting Sean Lemass and Jack Lynch), followed the Hall Report by re-organising industrial centres outside Belfast (which itself would be redeveloped but not expanded) and by improving infrastructures (roads, railroad), and cooperated with the trade unions (Harkness, 1983, ch.6). Globally, the world economy was growing fast ("Trente glorieuses" in France, rebirth of Germany and Japan, economic explosion of the U.S.), a growth shared by the U.K. and Northern Ireland, but also with increased competition against its old industries, especially shipbuilding. Moreover, O'Neill's reforms provoked the hostility of the extreme fringe of Protestant Unionism, while at the same time failing to fulfil the hopes of the Nationalist community and Labour; the resulting 'Troubles', starting in 1968 and with a murderous peak in 1972,

damaged even further the economy by ruining the chances of attracting foreign investment.

The first oil shock in 1973 damaged the ailing industries even further, while they were even more exposed to competition following the entry into the E.E.C the same year, along with the Republic of Ireland. Heavily dependent on oil because of its energy-intensive manufactures and its reliance on transport for its exports, Northern Ireland in general, and Belfast in particular, were hit much harder than the other Western economies (Kennedy, 1989, pp.109-110). Manufacturing investment, already made scarce by the 'Troubles', dried up even further. The second oil shock in 1979 only made things even worse, killing most of the artificial fibre industries which had been implanted earlier to try to compensate for the declining textile and shipbuilding manufactures.

Of course, the factors described in this essay only represent a fraction of the reasons behind the decline of Belfast industrial landscape from 1919 to 1980. Some, like the 1929 crash, the wars and the oil shocks were external and unexpected; but the fact is that Northern Ireland ended up in 1980 much worse off than other countries exposed to the same external pressures. Indeed, by that time the industry in the Republic of Ireland would have been in a better shape (see Kennedy, 1989). Internal causes, then, bear a large responsibility, and among those a major one must be the deep division between the Nationalist, Catholic and the Unionist, Protestant sides during these years. This seems to be proved by the improvement of the economy since the two communities have started to cooperate genuinely with each other.

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