

A campaign win: Northern Ireland is not going to be a t...

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For the last 30 months or so I have been arguing against a cut in the corporation tax rate in Northern Ireland to match that in the Irish Republic.

The work began with [a report I wrote on the issue](#) with the TUC and Irish Congress of Trade Unions - who have been staunch allies in what has otherwise been a fairly solitary campaign ever since.

I've written [many times on the issue on this blog](#), most recently with [Andrew Baker of Queens University, Belfast on the Sheffield University Political Economy blog](#). I've also lost count of the number of times I have appeared on the Stephen Nolan show to debate the issue, pointing out patiently that to make this policy pay the Northern Ireland economy would have to grow faster than the Chinese economy, would have to increase in size by a third and each new job would cost more than £60,000 with a payback of 15 years at best. It's all been reasoned argument that this massive tax subsidy to business would cost the people of Northern Ireland dear in terms of lost income and support from the UK because of the rules that apply to such cuts in regional corporation tax that are rightly imposed by the EU to stop the development of internal tax havens, which is what Northern Ireland would seek to become (and which is why some Big 4 accountants are so keen on this).

The latest Stephen Nolan debate was yesterday: [you can listen again here](#).

And now the [battle has been won for the time being](#): yesterday Peter Robinson and Martin McGuinness, who with all five major political parties in Northern Ireland support the cut, were told by David Cameron it won't be happening yet. Yet means until the Scotland referendum is resolved.

The people of Northern Ireland can breath easy for a moment; they won't be suffering even harsher cust than the rest of the UK to pay for tax cuts for existing businesses in Northern Ireland, which would have been the outcome.

But the fight will go on: this issue is unlikely to go away. And the last thing Northern Ireland needs to be is a tax havemn. What it does require is a real debate on what its

economic future should look like. And that's the issue all its politicians have ducked whilst clinging to this bizarre life raft of an idea that has let them off the hook of responsibility for coming up with some real policy agendas.