

INTRODUCTION

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The Women's Coalition wants to help create the best conditions for a political settlement by:

NORTHERN IRELAND WOMEN'S COALITIONS

Economic, Social and Cultural Issues - for discussion

Submission to the Liaison Sub-Committee on Confidence Building

With respect to the last, the Women's Coalition is deeply concerned about economic and social development. While the factors that drive the growth are essentially political, the historic poor performance of the regional economy, the concentration of disadvantage and the lack of opportunity for key sections of our population make the process of finding a political settlement even more difficult. Moreover, our commonwealth exists in a pluralist, multicultural society. That can only develop within a framework which encourages the full participation of all religious, cultural and ethnic groups.

Women's full participation in the economic and social spheres can only be achieved with the provision of quality, affordable, accessible preschool and after-school care for all parents. Our commitment to women's inclusion and to the recognition of the invaluable contribution made to the economy by full-time mothers is central to our approach to economic and social issues.

The purpose of this submission is to set out our key ideas on economic development, social investment and the promotion of cultural diversity. In our view, these should not be regarded as wholly separate policy strands, but require an integrated approach. The diagram below depicts our basic approach to these issues.

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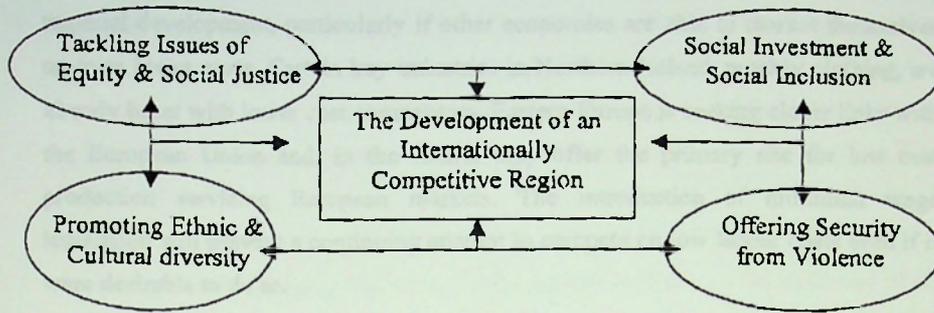
- **demonstrating that a key section of Northern Ireland society is capable of compromise and collaboration despite the divergent cultures and politics of its members;**
- **offering a women's perspective on a conflict that has been largely defined by and conducted by men;**
- **putting forward a new agenda about contemporary concerns to prevent political debate being locked into its traditional narrow focus.**

With respect to the last, the Women's Coalition is deeply concerned about economic and social development. While the forces that drive the conflict are essentially political, the historic poor performance of the regional economy, the concentration of disadvantage and the lack of opportunity for key sections of our population make the process of finding a political settlement even more difficult. Moreover, our commitment extends to a pluralist, multicultural society. That can only develop within a framework which encourages the full participation of all religious, cultural and ethnic groups.

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The imperative to take this approach does not depend on the progress of political negotiation. It is important for the overall development of the region.

The Coalition Approach to Economic Development

The Coalition's approach to economic development is based on three principles:

- first, **efficiency** - we want an efficient, competitive region and endorse the Northern Ireland Growth Challenge goal of the 'fastest growing region in Europe'.
- second, **equity** - we want all groups in Northern Ireland society treated fairly with respect to employment and all public services while we also seek a more equitable distribution of income and resources;
- finally, **accountability** - decisions which affect people's lives should be made accountable to those people via the mechanisms of partnership and participative democracy.

Efficiency is important because, ranked by underlying 'non-cost competitiveness factors', Northern Ireland comes last of the UK regions. **Deficiencies in non-cost competitiveness have been compensated for by low labour costs.** Low pay has thus been the crucial factor in sustaining regional development. Thus, a crucial issue for the future of the region is whether it will compete on the basis of low cost labour (with attendant social effects) or whether it seek to enhance non-cost competitiveness factors.

There are major dangers in relying on low cost as the primary factor in promoting regional development, particularly if other economies are able to market themselves on even lower costs. Certain key industries in Northern Ireland, notably clothing, are already beset with lower cost competitors. Eastern Europe is seeking closer links with the European Union and, in the future, may offer the primary site for low cost production servicing European markets. The introduction of minimum wage legislation will prevent a continuing attempt to compete on low labour costs even if it were desirable to do so.

The alternative is to attempt to transform Northern Ireland into a region with high-value added, quality products that can be marketed internationally. Northern Ireland Growth Challenge have identified seven key goals in effecting such a transformation:

- building world-class firms and industrial clusters;
- creating networks of common interest;
- creating a 'best investment' environment;
- developing human assets for the 21st Century;
- building the region's infrastructure to support 21st century competition;
- Marketing northern Ireland to the world;
- Creating a community that values and benefits from enterprise.

The Northern Ireland Economic Council has also identified such factors as a high level of consensus and networking among key industrial actors, an appropriate institutional/governance framework and a high degree of social cohesion. From both, a vital message is that investment in people and the reduction of social exclusion are vital preconditions for successful regional development. Accordingly, equity and accountability are as important as efficiency in regional development.

Prospects for the Regional Economy

The first half of the 1990s saw rapid economic growth in Northern Ireland. In the first five years of this decade, gross domestic product increased by almost two per cent per

year faster than in Britain¹ Manufacturing output rose by 14 per cent between 1990 and 1996 compared to a two per cent increase in the UK.² Further, manufacturing productivity increased by 2.5 per cent each year between 1993 and 1996 compared to two per cent in Britain.³ Finally, the number of employees in employment increased by 6.6 per cent between 1990 and 1995 compared to a fall of 3.1 per cent in the UK as a whole.⁴

The level of unemployment has always been the key indicator of the condition of the regional economy. Yet in 1996, the short-term unemployment rate was only one per cent higher than in Britain (5.9% compared to 4.9%) while overall unemployment was at the European average. Moreover, the female unemployment rate was one of the lowest in Europe.

However, some argue that the biggest impact on headline unemployment figures has been changes in the unemployment count and increasingly stringent benefit conditions, as manifested in Jobseeker's Allowance, rather than the demand for jobs in the economy. Indeed, unemployment in Northern Ireland fell by 19 per cent between October 1996 (the date of the introduction of Job Seeker's Allowance) and April of the following year. This was not reflected in jobs' growth and indicates some redistribution of those previously defined as unemployment into other forms of benefit rather than a genuine welfare to work effect.

Moreover, the figures on long-term unemployment have not demonstrated a similar improvement. In the spring of 1994, 65 per cent of all male unemployed had been out of work for a year or more. The equivalent figure for women was 36 per cent. By spring 1997, 66 per cent of unemployed men and 32 per cent of unemployed women were long-term.⁵ Thus, there remains a persistent problem of long-term unemployment in the region.

¹ All figures taken from DFEE and Cabinet Office (1996), *Occasional Paper. The Skills Audit*, London, Annex 3.

² Coopers & Lybrand, (Jan. 1997), *The Northern Ireland economy: review and Prospects*, Belfast, P.5

³ *Ibid*

⁴ Figures provided by NISRA

⁵ Department of Economic Development, (Jan 1997), *Northern Ireland Labour Force Survey: Historical Supplement. Spring 1984 to Autumn 1997*, Table Six

However, the 1997 Budget did display evidence of a new approach to regional economic management. The Northern Ireland Economic Council commented:⁶

Whilst many of the policy objectives build on the experience of the previous Conservative Administration, the emphasis on equality, fairness, and trust and the restoration of employment alongside growth as the central economic objective signifies a new point of departure.

Indeed, the Council's assessment is that the Budget's distributional impact in Northern Ireland will be generally progressive in cash terms (though not in percentage terms). Further, Northern Ireland will benefit from announcements of additional funding for Health, Education, housing investment and the welfare to work programme. Within the region, these will add up to £111.7m in 1998-99 consisting of £40m for New Deal, £31.1m for health, £27.6m for education and £13m in Housing Capital Receipts. At the same time, other areas like Housing and Transport will suffer disproportionate reductions. There may be little scope for radical increases in total expenditure in Northern Ireland although the potential for redirecting expenditure currently devoted to security to meeting social need is very substantial.

In short, recent economic indicators for Northern Ireland have been positive although there remain worrying structural features about the local economy.

- Key industries continue to compete on the basis of low costs and their long-term sustainability may be threatened both by the even lower cost competitiveness of new entrants to the European Union and minimum wage legislation within the UK;
- A large segment of employment is concentrated in low technology industry and low-grade services, which inhibits the possibility of convergence with UK GDP per head levels. Moreover, high value-added activity, like Financial and Business services account for only 17.2 percent of GDP compared to 26.6 in the UK as a whole;⁷
- Currently, GDP per head remains at 83 per cent of the UK average;
- Core sections of the unemployed remain stubbornly in the long-term category with some evidence that many of those moving off the register are taking up alternative forms of benefit.

⁶ Northern Ireland Economic Council (Nov. 1997), *The 1997 UK Budget: Implications for Northern Ireland*, Report 125, Belfast, p 9.

⁷ NISRA (1997), *Focus on Northern Ireland*, pp25-26.

The region has thus some way to go before achieving the kind of objectives set by Growth Challenge or the Northern Ireland Economic Council. The 1998 Coopers & Lybrand assessment of the future of the economy has been pessimistic predicting recession by the end of the decade. This assessment indicates that much more needs to be done.

Within a context of declining public expenditure, it might appear that there is little scope for ambitious goals to enhance the performance of the local economy. However, as George Quigley urged, *we need to think ourselves into a higher destiny*.³ In that respect, he identified five goals as the components of a vision for regional regeneration - **jobs growth, strong sub-regional economies, equitable economic activity and opportunity, a high standard of living and a good quality of life.**

Goals such as these require a multidimensional approach which, nevertheless, seeks to integrate a number of strategies.

- **These include a serious look at an education system virtually bereft of pre-school provision and which caters well for the top third of the secondary sector and badly for the rest;**
- **It requires a critical review of training provision which has a large volume of throughput but without startling results;**
- **It requires an integrated focus on improving regional competitiveness with emphasis on research and development, product innovation, design improvement, improving management capacity and better marketing of Northern Ireland products.**

These strategies should also include offering decent remuneration for employment to move industry away from low cost competition and to ensure that people are fully recognised as the key economic resource. Any economic strategy must also involve reducing social exclusion.

³ Quigley, G. (April 1995). 'Opening Remarks' in Northern Ireland Economic Council, *Op. Cit.* p.3.

Social Investment and Social Inclusion

The term 'social exclusion' has suddenly appeared in the middle of the policy debate but without much emphasis on its specific meaning or significance. Social exclusion appears to have replaced the concept of poverty and anti-poverty strategies have been renamed processes of social inclusion. Some are wary that this transition represents no more than a new 'spin' on an old term rather than a radical departure in tackling disadvantage. Since politics and public relations increasingly overlap, a new, exciting vocabulary has been injected into the policy making process. It would be unfortunate if its purpose was simply to gloss over continuing expenditure restraint. Certainly, the problems of public expenditure growth have to be recognised, particularly in a region so dependent on the public sector as Northern Ireland. What is required, however, are new ways to tackle old, long-standing problems.

In that respect, the concept of social exclusion may make a valuable contribution to the policy debate. It comes from a theoretical tradition that identifies a social order no matter how hierarchical and points to the processes that detach people from that social order. Thus, by definition, it focuses on the kind of rapid social and economic change that has occurred over the last two decades and points to its uneven impact on society. The labour market has become more volatile, the risk of unemployment for a wider range of those in work greater, part-time jobs have increased as a proportion of all jobs and so on. In addition, the proportion of men who are economically inactive (and therefore completely out of the labour market) has steadily increased. In addition to such changes in the economy, there have been significant demographic changes including a movement towards smaller households and the growth of 'non-traditional' family types. Finally, welfare states have been under fiscal stress, resulting in attempts to curb public expenditure, particularly benefits expenditure. In combination, these processes have induced new fractures in the social order and produced a dynamic of social exclusion.

Social exclusion in Northern Ireland should be seen in the context of its position in the UK. Economic change and labour market instability have badly affected other weak regions. A comparison is made in the next table.

Relative Indicators for Northern Ireland (1995/96)			
	N.I.	UK	Worst British Region
Weekly Income (per person)	£118.2	£156.1	£135.6(North East)
% of Households with Incomes <£125	24.1%	20.8%	27.8% (North East)
% of Income from Social Security Benefits	21.6%	13.7%	19.3% (North East)
Weekly Expenditure (per person)	£105	£118.0	£104.7(North East)
Unemployment Rate (1996)	10.9	7.5	10.6 (North East)
Male Very L/T (2 years +) Unemployment Jan 1997	43.7%	22.9%	25.1% (North East)
Average Male Weekly Earnings (1996)	£337.4	£389.9	£345.5 (Wales)
Average Female Weekly Earnings (1996)	£256.9	£282.3	£250.5(Wales)
GDP per Head 1995	£8410	£10,134	£8440 (Wales)
Age Adjusted Mortality Rate (1,000)	11.47	10.62	12.17 (Scotland)
Source:	Regional Trends 32. (1997), Office for National Statistics, London		

Across a range of variables, Northern Ireland is significantly worse than the UK average. However, other UK regions, particularly the North East, share similarly poor characteristics. The only clear exception, where Northern Ireland stands out relates to unemployment. Even on this comparison, sub regional areas of Britain, such as in Liverpool, demonstrate worse unemployment than Northern Ireland though not worse than the forms of concentrated unemployment found in Belfast and Derry.⁹

Within Northern Ireland, exclusion and disadvantage are highly unevenly distributed. This has been compounded by the geography of the conflict that has affected certain areas substantially more than others. The next table compares the death rate per 1,000 population of those who lived in each of Northern Ireland's 26 district councils and its

⁹ It should be acknowledged that other studies continue to suggest that Northern Ireland fares worse than other high-poverty areas in Britain. For example, McKendrick, J. (1995) 'Poverty in the UK: the Celtic Divide', in Philo, C. (ed.) *Off the Map, the social geography of poverty in the UK*. CPAG, London. On 17 deprivation indicators for England, Wales, Scotland and Northern Ireland, the last is ranked worst on 10 and second on a further four.

deprivation score from the Robson Index.¹⁰ The district council areas are ranked on death rates

Death Rates Per 1,000 population		
District Council	Death Rate	Deprivation Score
BELFAST	4.13	29.98
ARMAGH	2.48	-3.10
DUNGANNON	2.38	14.40
COOKSTOWN	2.05	9.72
STRABANE	1.89	31.33
DERRY	1.74	19.96
CRAIGAVON	1.61	-9.44
FERMANAGH	1.61	11.95
NEWRY AND MOURNE	1.58	16.15
MAGHERAFELT	1.36	7.83
CASTLEREAGH	1.06	-35.07
LISBURN	1.05	-28.80
NEWTOWNABBEY	0.99	-30.53
BANBRIDGE	0.81	-14.87
DOWN	0.72	-10.75
LIMAVADY	0.71	5.86
OMAGH	0.68	9.36
BALLYMONEY	0.58	3.11
CARRICKFERGUS	0.51	-26.10
COLERAINE	0.45	-16.11
NORTH DOWN	0.44	-42.46
ANTRIM	0.44	-13.18
BALLYMENA	0.41	-15.74
LARNE	0.41	-7.45
ARDS	0.40	-27.50
MOYLE	0.27	11.05

While the association between death rates and deprivation is less than absolute, a number of key areas, like Belfast, demonstrate an acute relationship between deprivation and violence. A peaceful Northern Ireland would thus offer the best opportunity for tackling social exclusion. Belfast has seen the most concentrated killing of local residents during the entire history of the Troubles.¹¹ The degree of spatial segmentation represented by peace lines and by the high concentration of one religion or another in the subspaces of Belfast is much greater than for other areas of

¹⁰ Deaths taken from the database created by the Cost of the Troubles Ltd. - they exclude the deaths of those not residing in district councils and are thus a less than complete list of victims. Population figures taken from the 1991 Census

Northern Ireland. Not only have these adversely affected the quality of life in the city, they also make institutions less efficient in serving the population and induce a set of 'diseconomies of division'. The last refers to the less than optimal functioning of labour, capital, and property and housing markets. Moreover, in a peaceful situation, it would be possible to divert some security expenditure to tackle social need and economic development. Thus, if somehow peace could be delivered in Northern Ireland, and if Targeting Social Need remained a primary determinant of policy, social exclusion could be realistically tackled.

Two other measures are of key importance. The first is moving the long-term unemployed back into work – long-term unemployment is the best available surrogate for deprivation. This objective has already been identified by the Welfare to Work effort. The New Deal will target all young people aged 18-24 who have been unemployed for six months or more. However, it is estimated that only 15 per cent (2,775) of those over 25 and unemployed for two years plus will be brought within the framework of New Deal. A cursory examination of the age and duration characteristics of the unemployed in Northern Ireland suggests that the most serious problem lies with the latter group that will only marginally benefit from New Deal. Accordingly, Welfare to Work should be constructed to target the nature of the unemployment problem in specific regions. In this respect, the growing problem of male economic inactivity and the redistribution of the unemployed into alternative forms of benefit should be taken into account.

A second core issue is education. We have already indicated our dissatisfaction with an education system that caters well for the top 15 per cent of those in secondary school and very badly for the bottom 20 per cent. The longer-term consequences for those failing to achieve qualifications are enormous. The unemployment rate for those with A Levels is 5.6 per cent. It is 24.6 per cent for those without qualifications.¹² It is thus crucial that the foundation targets in the National Targets for Education and Training be taken seriously. It is highly unlikely that these will be reached within a

¹¹ Figures given by the Costs of the Troubles Project.

¹² Gallagher, T. Shurtleworth, I and Gray C (1998), *Educational Achievement in Northern Ireland: Patterns and Prospects*, Northern Ireland Economic Council, Belfast, Table 3.1.

social system that remains socially segregated by the transfer mechanism. They may also be inhibited by a social system that remains religiously segregated.

Social inclusion requires social investment in terms of a comprehensive approach to education and reinserting the long-term unemployed back into jobs. Moreover, given the double bind of violence and deprivation, peace building has a distinctive contribution to make.

Cross Border Issues

The two states in Ireland have tended to be economically as well as political separate. Indeed, when Ireland was a single country at the end of the 19th Century, its markedly uneven development between the north-east and the rest of the country limited the degree of economic interchange. Even then, each part of the country related more to the larger neighbour for trade and imports than the other. This pattern has continued in the 20th Century. On the threshold of the 21st Century, the Republic is more successful industrially with one report putting GDP per head now greater than in the UK and, although it receives significant net gain from its membership of the EU, this level of subsidy per head of population is a fraction of that received by Northern Ireland citizens from the British Exchequer.

Nevertheless, there are several advantages that could be gained from greater co-operation between both states on the island. Again, however, it is difficult to envisage how these could be fully realised in the absence of a political settlement. The Northern Ireland Economic Council argues that there is scope for significantly greater co-operation across the following areas:¹³

- infrastructure, e.g. transportation, energy, research and development activity;
- promotion of tourism, trade, inward investment, arts and agriculture;
- regulation of spillovers, e.g. pollution, fisheries, water management, environment;
- economic development; and
- new initiatives, e.g. the Belfast-Dublin economic corridor.

¹³ Northern Ireland Economic Council (June 1995), *The Economic Implications of Peace and Political Stability For Northern Ireland*, Belfast, p.31.

At the same time, however, the Council is sceptical of the highly ambitious claims about the level of job creation attendant upon such development, calculating a figure closer to 7,500 rather than 75,000 new jobs. The latter figure was based on the calculation that since producers in the Republic only sell about one third per head to Northern Ireland consumers as they do in the home market and Northern Ireland producers only one sixth to consumers in the Republic, there is the potential to, at least, treble the level of trade to around £5 billion. However, the opportunities for trade expansion are undoubtedly more limited since non tariff barriers, other than political instability, would persist and it would be difficult to displace those producers currently satisfying demand in both economies particularly within the environment of a single European market.

Nevertheless, the efficiencies gained from marketing the island as a single entity for tourism and economic development remain important as do the advantages of collaborative management of natural resources including energy. The idea of the Belfast-Dublin corridor offers the possibility of a 21st Century transportation/communications infrastructure supporting clusters of leading edge companies capable of reaching the European market and beyond. For these reasons alone, considerable effort to develop collaborative relationships with the Irish REPUBLIC is worth the investment.

Social Justice Issues

Confidence building in Northern Ireland requires a widespread conviction that civil and social rights are fully embedded in legislation and in employment practices.

The incorporation of the European Convention on Human Rights into UK law is an important step. We also note the government's commitment to the education and awareness-raising required to develop a sense of rights and responsibilities both for public bodies and individuals (i.e. a culture of rights).

If we are to enjoy our human rights then we have a moral obligation to protect them for others. No right exists without the necessary structures to make it operational.

Accordingly, criticism of existing practices by those such as SACHR must be taken seriously and a clear policy response formulated. Moreover, without a comprehensive Bill of Rights, diverse pieces of legislation will lack coherence.

Targeting Social Need is a means of improving the social and economic conditions of the most disadvantaged areas and people in Northern Ireland. TSN must be fully operationalised rather than simply a goal. This will require benchmarking existing sources of need and developing transparent mechanisms for delivering TSN within each department and public agency.

There is also a need to acknowledge the significance of differential levels of unemployment experienced by Catholics and Protestants and the inequality that this represents.

The aims of TSN must be clearly focused and transparent. Areas of need, whether Protestant or Catholic must be targeted. We also have to work towards the recognition that this will require greater attention to Catholic areas.

There also needs to be recognition of the differential impact on the two communities in terms of 'coming out of conflict', particularly in looking at the issue of future security and policing developments. The lack of community development, particularly in Protestant areas will also require focused work.

The published guidelines for PAFT (Policy Appraisal & Fair Treatment) clearly indicate that all government departments and 'next step' agencies must be proactive in securing the elimination of discrimination and the achievement of equality of opportunity and fair treatment.

PAFT must be given legislative status while consideration should be given to assembling the necessary information bases that would make PAFT feasible. When particular problems arise in terms of social or economic exclusion, a broad brush approach may be neither effective or fair.

Although it might be seen to go against the cultural norms of policy-makers we believe this debate needs to happen. When treating people equally produces unequal outcomes then the notion of equality needs to be examined. We are sure that many people can identify with this argument. We would draw particular attention to the needs - social, economic and cultural of interface communities.

Culture

The debate about cultural rights in Northern Ireland has focused on the status and treatment of the cultures of Unionism & Nationalism. Their recognition and legitimacy will be the bedrock of a pluralist accommodation which Northern Ireland requires as the basis of a stable settlement.

While parity of esteem remains a minimum objective, there is a danger of limiting the culture debate to a negative 'zero-sum' discussion about which side gets what share of the care. This issue has to be seen within the broader context of the potential synergies of a multi-cultural society (embracing other ethnic groups as well as Unionism and Nationalism), the role of culture in regional regeneration, and the limited support for popular culture provided by organisations like the Arts Council.

- Parity of esteem should embrace all cultures and that should be given legislative force.
- Financial support for arts and cultural activities should embrace popular as well as elitist cultural activities - e.g. the Arts Council should have a TSN remit.
- The role of cultural development in community, area and regional regeneration such as the recent proposal for the creation of a cultural corridor in regenerating North and West Belfast should be fully explored.

Issues of culture and identity lie at the heart of the conflict and fuel ongoing tensions. We would urge that this CBM sub-committee addresses the issue of confidence in the wider community by stating clearly its commitment to working on these issues seriously. We need to change the context of the debate by aiming to produce gain for everyone rather than the destructiveness of a 'zero-sum' conflict.