

**Liaison Sub-Committee on Confidence Building Measures**

**Paper by the Irish Government on Economic and Social Issues**

1. The Irish Government believes that confidence building measures in the economic and social areas have the potential to make a major contribution to building up trust and confidence between the communities. That view is widely shared within Northern Ireland. In its report, the International Body noted in paragraph 57

"Finally, the importance of further progress in the social and economic development of Northern Ireland and its communities was emphasised time and again in our meetings, in the context of building confidence and establishing a lasting peace."

2. There is a strong geographic correlation in Northern Ireland between those areas which have suffered the highest levels of economic deprivation (in terms of the intensity of the deprivation) and political instability - see annex 1.
3. On the basis of the Deprivation Index, prepared by the University of Manchester and calculated with reference to the 1991 census, nationalist areas predominate in the list of the most deprived districts. However, there are also areas of severe deprivation in unionist areas of Belfast, i.e. Island and Shankill. Tackling economic disadvantage and improving the relative position of the most deprived areas, all of which have suffered heavily from the unrest of recent years, is an issue which crosses the traditional divide in Northern Ireland.
4. The issues of equality of treatment and fair participation in the economic and social life of Northern Ireland affect every person living there. Apart from the ethical aspects of the matter, the belief that any section of the community has not received "a fair deal" in economic and social terms can be a significant force for instability.

## **The Equality Review**

5. In June this year, the Standing Advisory Committee on Human Rights (SACHR) completed its equality review which was commissioned by the British Government and included an examination of the existing Fair Employment legislation and related issues. That review showed that significant progress towards equality had been achieved in employment practices. However, it recommended that this progress should be consolidated and extended. It further pointed out that fair employment legislation alone cannot deal with the many socioeconomic factors which cause long-term unemployment, and the differential unemployment rates experienced by Catholics and Protestants.
6. SACHR recommended a series of changes in the legislation in areas such as affirmative action, extending the present legislation to cover goods and services, greater monitoring of employment practices, changes to the national security elements in the law (Section 42), as well as supporting changes in the areas of education and training. It also recommended a more effective implementation of the Targeting Social Need (TSN) programme and that the Policy Appraisal and Fair Treatment (PAFT) guidelines be placed on a statutory basis. These actions would underpin Government efforts to attack the problem of social exclusion and ensure that resources are directed at the areas of greatest need.
7. We would welcome therefore, the early implementation of the recommendations of the SACHR report, including the strengthening of the TSN programme and the enactment of a legislative basis for PAFT.

## **Public Expenditure**

8. The Northern Ireland economy is heavily dependent on the public sector, with public expenditure taking up a much larger portion of the area's gross domestic product than is the case in the South or in Great Britain. A similar situation pertains in the labour market where public sector employment accounts for a disproportionately large part of the workforce. In addition, a major element of public expenditure is spent in the security-



related areas.

9. In the context of the cease-fires, there is, we believe the potential for savings in the security area ("the peace dividend"). It is important to the Northern Ireland economy that present levels of public expenditure be maintained, as far as possible, with savings in the security budget being used elsewhere in the Northern Ireland economy. The redirection of resources would be particularly beneficial if directed to the areas of greatest need and towards economic regeneration of deprived areas, both nationalist and unionist. The scale of possible savings from the security budget and different expenditure options for the released funds is explored in Consultancy Studies Number One which was published in July 1995 by the Forum for Peace and Reconciliation. This Report is entitled "The Social and Economic Consequences of Peace and Economic Reconstruction".
10. In addition, the implementation of economic and social programmes such as the "Welfare to Work" initiative, due attention should be paid to the particular needs and special problems of the most disadvantaged areas and communities.

#### **Cultural issues**

11. Parity of esteem and respect for the different cultural traditions in society is a requirement for peace and stability. The Irish language, as the shared cultural heritage of people from both major traditions, should be afforded due recognition and status which would reflect the esteem in which it is held by a large part of the population of Northern Ireland as well as protecting the rights of Irish speakers. The promotion of cultural heritage should not be seen as exclusivist in terms of one community rather than the other. There is a need also to examine how the growing interest in Ulster-Scots heritage should also be supported and encouraged.

#### **Partnerships**

12. The partnership approach to economic and social development and in particular the

integral involvement of the voluntary sector/community groups/social partners, working alongside elected public representatives, has been very successful under the EU Peace Programme. We would welcome the widening of the role of this "partnership approach" in economic and social development and in particular in the delivery of EU and other programmes.

## Conclusion

13. The Irish Government believes that the steps outlined in this paper on economic and social issues could make a positive contribution to confidence building which in turn would underpin efforts to establish a lasting and just settlement. The achievement of greater economic prosperity and fair participation in economic and social life will assist all those living on the island of Ireland but particularly those communities which have borne the brunt of the Troubles. We look forward to discussing these issues in greater detail in the course of the work of this committee.

12 January 1998

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