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4 February 1998

LIAISON SUB-COMMITTEE ON CONFIDENCE BUILDING MEASURES  
4 FEBRUARY 1998

We have been asked by Sinn Fein to distribute the attached paper  
"Building the Economy - Building Peace".

Also enclosed is a list of participants for today's meeting.

4 February 1998

## NOMINATED REPRESENTATIVES

### SUB-COMMITTEE ON CONFIDENCE BUILDING MEASURES

4 February 1998

British Government:

Secretary of State  
Stephen Leach  
David Watkins  
Tony Beeton  
Geoff Huggins

Irish Government:

Minister of State, Liz O'Donnell  
David Donoghue  
David Cooney  
Ray Bassett

Alliance:

Steve McBride  
Kieran McCarthy  
Dan McGuinness  
Phillip McGarry

Labour:

Martin Dummigan  
Alan Evans

NI Women's Coalition:

Barbara McCabe  
Annie Campbell  
Pearl Sagar

PUP:

Raymond Lavery  
Edward Kinner  
Billy Mitchell  
Ken Wilkinson

Sinn Féin:

Dodi McGuinness  
Jack Crowe  
Alex Maskey

SDLP

Mark Durkan  
Alex Attwood

UUP:

Dermot Nesbitt  
Ken Maginnis

Wed.4/2/98

## Building the Economy - Building the Peace

While the interdependence of economic and social development is indeed a key and integral part of the peace process, it is clear that economic development underpins the peace process and is a necessary condition for a lasting peace. The interlocking development and building the economy that will be a key element of the peace process and the peace process itself is a key element of the peace process.

### Sinn Féin Submission

The overall objectives for economic policy in Ireland are:

#### Liaison Sub-Committee on Confidence Building

...including economic recovery, between and amongst, in their fullest and

...to create an economic base which reflects the social and cultural values of all the Irish people and which fulfils their material needs and aspirations.

In addition, Sinn Féin wishes to see a society that grows economic justice to all its people. Everyone, irrespective of their background, should be able to gain meaningful, well-paid, long-term employment or jobs that provide personal security and self-fulfilment. Everyone should have a meaningful role to play in the economy, particularly at the local level.

These objectives will only be achieved by eliminating unemployment and poverty, developing more fully the national base and generating higher levels of income and wealth for the benefit of all. In addition, Sinn Féin wishes to see a society that grows economic justice to all its people. Everyone, irrespective of their background, should be able to gain meaningful, well-paid, long-term employment or jobs that provide personal security and self-fulfilment. Everyone should have a meaningful role to play in the economy, particularly at the local level.

The overall strategy approach to the economy is:

- the creation of a truly all-Ireland economy;
- the transformation of the war economy of the north into a productive and developed peace economy;
- the elimination of the economic disparities created by partition;
- the social and economic harmonisation of regions and social groups in Ireland; and

## Building the Economy - Building the Peace

Sinn Féin views the promotion of economic and social development in Ireland as a key and integral part of the peace process. It is clear that economic development underpins the peace process and can help to consolidate agreement on political structures in Ireland. By furthering development and tackling the deep-rooted economic problems of these areas, the Dublin and London governments can help in a significant way to cement a just and lasting peace in Ireland.

Sinn Féin's overall objectives for economic policy in Ireland are:

- to provide sustainable and dignified livelihoods for all its citizens;
- to develop economic resources, human and material, to their fullest; and
- to create an economic base which reflects the social and cultural values of all the Irish people and which fulfils their material needs and aspirations.

In essence, Sinn Féin's vision is of a society that grants economic justice to all its people. Everyone, irrespective of their background, should be able to gain meaningful, well-paid, long-term employment in jobs that provide genuine security and fair conditions. Everyone should have a meaningful role to play in the economy, particularly at the local level.

These objectives will only be achieved by eliminating unemployment and poverty, developing more fully the industrial base and generating higher levels of income and wealth for the benefit of all the people in Ireland. In this context, Sinn Féin attaches particular importance to the generation of sustainable growth; the need for mutually reinforcing private and public sector activity in the economy; the provision of education and training for all the workforce; the need for extensive workplace participation and democracy; the creation of genuine equality of opportunity for all; and the development of environmentally friendly economic activity.

Sinn Féin's overall strategic approach to the economy encompasses:

- the creation of a truly all-Ireland economy;
- the transformation of the war economy of the north into a productive and developed peace-time economy;
- the elimination of the economic distortions created by partition;
- the social and economic harmonisation of regions and social groups in Ireland; and

- the introduction and promotion of genuine economic democracy.

### The Economic Problem

It is widely recognised that the Irish economy, particularly in the northern Six Counties and the border region, suffers from a range of economic and social problems. The range and depth of these problems can be seen by a number of indicators:

- Unemployment in the Six Counties officially stands at just over 60,200, 7.8 per cent of the workforce. It is commonly accepted, however, that because of the ways in which the figures are massaged by the British government that the official count of unemployment understates the true level by tens of thousands.

In the border counties the figure is higher still. In the 26 counties the live register figure stands at 254,000. Like the Six Counties the figures masks over 40,000 people employed on make work schemes. Across the island over 350,000 people are unemployed.

- Not only is the overall level of unemployment high in the Six Counties, but the number who have been without work for over a year accounts for 50 per cent of the unemployed (45 per cent in the twenty-six counties) while almost one in five have been out of work for more than five years.

- Unemployment among Catholic men is around two and a half times higher than amongst Protestant men in the Six Counties. That this has continued to be the case for over twenty years highlights the ineffectiveness of British anti-discrimination measures and legislation.

- The continuing haemorrhage of the population has been endemic, with an average of around 7,000 people emigrating each year from the Six Counties over the past two decades. Again, in the border counties the loss of population, especially those of working age, has been even higher. In the 26 Counties official figures show that during the 1980s over 250,000 people emigrated, 49,000 in 1989 alone. Emigration from rural areas is particularly high with around 5,000 people leaving rural Ireland each year during the 1990s.

- The incidence of poverty in the Six Counties and the border areas is severe. In 1995 one third of all households had weekly incomes below £125 with 19 per cent of all weekly incomes coming from social security. The proportion of people living below the 'poverty line' is higher than in Britain, as is the degree of income inequality between the most highly paid and the lowest paid.

Over 800,000 people in the 26 Counties are in receipt of social welfare payments with a further 600,000 dependants relying on these payments. This means that at around 40 per cent of the Irish population exists on subsistence incomes and are effectively living in poverty.

- Having been at the centre of the industrial world at the time of partition, less than one in five of the workforce in the Six Counties is now employed in manufacturing industry. Not only is the industrial base small, but that which remains is lacking in competitiveness and concentrated in declining sectors. Productivity is low (around 80 per cent of that in Britain - itself a poor performer in world terms) and industry is heavily dependent on high levels of public subsidy (around one-third of all new investment costs by industry).

- The underlying weakness of the Six-County economy is highlighted by the size of the subvention from the British taxpayer that is required to keep it running. The difference between what is spent by the British government in the Six Counties and what is raised in taxation and other public revenue currently stands at around £4 billion, an extraordinary one-third of total GDP in the north. A substantial proportion of the subvention directly reflects the militarised and unproductive nature of the economy with huge sums spent each year on the RUC, the British army etc. In other words, the Six-County economy is kept artificially afloat by a huge annual inflow of public money that masks an economic situation of fundamental unsustainability.

#### Budgetary cuts

In the current budgetary year 1997-98, the British Government has earmarked £8.227 billion for spending in the Six Counties. These expenditure plans were in large part formulated by the previous Conservative administration. These expenditure totals involve a 1.5% cut in the 1996-97 totals, a cut which the Northern Ireland Economic Council described last November as being disproportionate to budgetary cuts imposed in Britain.

These cuts are disappointing considering the need to invest resources in the Six-County economy. They are doubly disappointing because the spending plans formulated for 1998-1999 by the Tories have also been accepted by the New Labour administration without significant change. What is needed is a substantial and immediate redistribution of spending away from servicing the huge cost of the British war economy into the underfunded education, health, social services and economic development sectors.

On a more hopeful note New Labour's Chancellor of the Exchequer, Gordon Brown has announced a Comprehensive Spending Review (CSR) which he maintained will "take nothing for granted". Sinn Fein believes this CSR must take into account the discriminatory and inequitable nature of NIO spending policies.

For example the CSR must analyse the spending allocations across the 26 District Councils to ascertain whether there is equality of funding. This CSR should also investigate the disparities clearly visible to nationalists in infrastructural development programmes such as housing and road construction.

Another issue that must be included in the CSR is the total military spending by the British Government in the Six Counties. The published Exchequer figures for the Six Counties show only a proportion of total military spending by the British Government in the Six Counties.

The CSR should be empowered to investigate total military spending including not only the RUC budget but that of the British Army and MI5. Spending proposals from MI5 published in 1995 showed that 44% of their £150 million expenditure was taken up with countering IRA threats.

If the British Government are really committed to building a lasting peace they have a role to play in transforming the structure of the war economy in Ireland and that includes scaling down their military spending and diverting funds to projects and programmes which will aid those communities most affected by the conflict in Ireland.

The reasons for such poor economic performance over a sustained period of time are, of course, complex. From Sinn Féin's point of view, it is necessary to look at the political and economic history of Ireland and, in particular, the colonial and oppressive nature of British rule, to explain such deep economic underdevelopment. While it was in the interests of Britain to develop the industrial base in the north of Ireland (centred in the main quite narrowly around Belfast) in the nineteenth century with shipbuilding, textiles and heavy engineering, and at the expense of the rest of Ireland, this did not continue after partition in 1921. The economic history of the Six Counties has never been anything but one of failure and underdevelopment.

Partition itself was an important debilitating factor in the way it artificially divided the Irish economy, compounding a state of underdevelopment in what was already an economy lacking coherence and integration. This effect was felt particularly badly in the border counties - a situation that continues to this day. On top of this was added the openly sectarian nature of the Six-County state itself that systematically discriminated against and disadvantaged the nationalist population.

More recently in the last twenty-five years, political and military resistance to British rule and oppression has debilitated the economy to a significant effect. In this historical context, it is difficult to imagine an economic situation less conducive to economic and social development. The political and economic legacy of colonialism, partition, systematic discrimination and political and military conflict has still to be overcome. Yet, if economic and social development is to occur then it will only be achieved if that legacy is tackled.

### The failures of Targeting Social Need

The British Government paper on Economic and Social Development stresses the role of their targeting social need initiative. TSN is according to the NIO "an important feature of the Government's strategy to promote equality of opportunity and equity of treatment".

However in July 1996 when the NIO was questioned by An Phoblacht as to how were TSN Social Need policies were implemented they were told this was "harder to measure". There were "no specific figures" even though it was one of the British Government's "spending priorities". In fact it was difficult to find out which NIO department was responsible for implementing TSN policy. An Phoblacht was told that the department of Economic Development were "not the guardians of TSN". It was not within their policy remit

The NIO's central press office told them that it was not in their policy area. Their concerns were only "politics and security". Instead they were sent to the Department of Health and Social Services.

They told An Phoblacht that Targeting Social Need "might be" their area, they weren't sure. It could be they were told that they shared the responsibility for implementing TSN with the department of Environment.

Eventually after further calls it was found that TSN was actually funded through the Department of Finance and Personnel and that it was the Central Community Relations Unit (CCRU) who implemented TSN.

It was the CCRU who published in 1996 a controversial study on unemployment ratios in the Six Counties. The study by Graham Gudgin and Richard Breen concluded that religion was "not a valid measure" for distinguishing between unemployment ratios in the Six Counties even though Catholics are two and half times more likely to be unemployed than Protestants.

However the truth is that the CCRU only lays down the policy guidelines, no one is really responsible for implementation and monitoring. One NIO briefing note puts it all in perspective. It came with a warning stating "Avoid putting a monetary value on TSN policy" because "it is difficult to identify all the TSN relevant expenditure in the DHSS".

TSN is in fact simply renaming existing DHSS funding and then including part of the Delors £240 million EU peace and reconciliation programme, the money for which comes from the EU not from the British Government. This is just one aspect of the failures of British Government's economic and social policies in the Six Counties and how important it is to have a complete re-evaluation of the NIO's policy implementation programme in the Six Counties.



## Area Profiles

In order to get a full understanding of the depth of the economic and social problems in the Six Counties and the border region, it is necessary to focus in on specific nationalist areas. This is because the nature of the problems facing these areas differ significantly and therefore require quite different solutions and approaches. The specific problems of nationalist areas can be usefully grouped together into the inner city areas of Belfast and Derry; rural areas, particularly those west of the river Bann; and the border region stretching from Derry and Donegal to Newry and Dmdalk.

It is Sinn Féin's view that it is community groups and activists working on the ground in these areas that best know the problems and our ideas for regeneration draw on some of their proposals. In this respect Sinn Féin believes in a bottom-up approach to economic and social development, rather than the undemocratic top-down approaches pursued by the British and Dublin governments.

### Inner City Areas -

#### North and West Belfast and Derry

Inner city areas in the Six Counties share similar problems in terms of economic and social underdevelopment and disadvantage. In west Belfast, for example, an area comprising around 100,000 people, there is an unemployment rate of 30 per cent with less than 40 per cent of the population aged 16 and over actually in employment (in some electoral wards the proportion with jobs is as low as 25 per cent).

The area needs almost 4,000 jobs just to bring its jobless rate down to the city average which itself is high by any standards. In some electoral wards over a third of the households have an annual income of less than £4,000 (\$6,400), while only one in twenty households have an income of £15,000 (\$24,000) or more.

In terms of social and other indicators, west Belfast has the highest infant mortality rate in the six counties (11.9 per thousand), one in seven of the population suffer from long-term illness, almost 60 per cent live in rented housing (mainly publicly owned) and two-thirds of households do not own a car.

The extent of economic underdevelopment and deprivation in the area is to a large extent the consequence of government policy that has systematically discriminated against nationalist communities. This can be seen from the relative absence of new investment from outside and abroad; political vetting by government to prevent job creation projects, such as in the Conway Mill

educational and industrial complex; and the occupation by the British army of the 13 acre Whiterock industrial estate. The British government had until recently continually refused to deal directly with elected Sinn Féin representatives on these matters.

A 1995 report by researchers at Manchester University provides a deprivation index for the Six Counties. It is based on the wards and district council boundaries of the North's 26 local authorities. Belfast and Derry have between them 17 of the 20 most deprived wards.

Derry City suffers from similar economic and social problems both in terms of level and intensity, with unemployment rates of over 40 per cent in the nationalist areas of Brandywell, Creggan, St Peter's and Shantallow. Other indicators of material deprivation are also experienced in these local areas in Derry seen in overcrowded housing, lack of access to cars and low levels of owner-occupation. These factors are mutually reinforcing leading to low levels of incomes, little access to savings or credit, poor quality housing and a high incidence of illness.

In consultation with community groups in these inner city areas, Sinn Féin has put together a range of proposals that would start to regenerate the local economies and provide much needed jobs. In the period since the declaration of the IRA ceasefire, there has been a huge upsurge in creativity, imagination and energy in nationalist communities showing that they are equal to the mammoth economic and social task that confronts them.

In West Belfast, covering areas such as Divis, the Falls, Twinbrook, Ballymurphy, Andersonstown and Poleglass, North Belfast, including Ardoyne and New Lodge, and in Derry city, in particular Shantallow, Brandywell and Creggan, a host of proposals have been put forward that could form the basis of effective local economic strategies.

- There should be a jobs task force to devise and implement local economic strategies and that is also responsible for the disbursement of 'peace dividend' funds;
- Local labour clauses should be introduced in all major public and private investment projects to ensure that residents in the area benefit;
- The proposed university campus in Springvale should be viewed as a project of great potential if meaningful partnerships and benefits can be forged with and for local communities;
- Irish language economic development offers great potential and must be adequately resourced and built upon;
- Training for real jobs, rather than the cheap and low paid labour schemes that currently operate, must be an integral part of a development strategy;

- There should be a new emphasis on creating jobs in the social economy such as education and environmental conservation;
- Community-led economic development and enterprise needs to be promoted in such sectors as cultural tourism;
- The British government's offensive against the area's major employers such as Belfast City Council and the Royal Victoria Hospital needs to be stopped.
- International recognition of North Belfast as a deprived area so that it can be allowed to offer an enhanced investment package;
- The creation of a North Belfast development agency to work in conjunction with potential investors;
- The idea of getting potential investors to commit resources into the area for training and R&D prior to the actual investments so that the ground for effective development is firmly prepared.

#### **Unionist Inner City Areas**

Sinn Féin recognises that while the overall incidence of deprivation is greatest in nationalist areas, there are a number of unionist inner city areas in the Six Counties that suffer many of the same economic and social problems as nationalist communities. Unionist working class communities have long endured endemic unemployment, a severe lack of employment opportunities and deep levels of deprivation and poverty. Urgent attention and substantial resources need to be directed towards these areas and communities if their problems are to be alleviated. The promotion and development of cross-community projects would be particularly beneficial in this respect where they are geographically appropriate.

#### **Rural Areas**

Rural areas throughout Ireland have a long history of political and economic marginalisation with rural nationalist communities in the Six Counties disenfranchised from the state. In contrast to inner city economies, rural areas have suffered quite different, though just as debilitating, types of problems. While unemployment is rife, there is also substantial underemployment, low incomes, high emigration (both to urban areas within Ireland and places outside), seasonal work and poor access to health and social services.

In nationalist rural areas, such as Counties Tyrone, Fermanagh and Derry, there has been a high dependence on small scale agriculture on poor land. This has been a direct consequence of unionist domination and has led to rural underdevelopment, especially in the area west of the river Bann. Much agricultural policy administered by the European Union has been to the benefit of large unionist farmers on good land who can exploit economies of scale and earn high incomes. This has been at the expense of small agricultural holdings that tend to predominate in nationalist rural areas, with the result being low farm incomes and a mass exodus from the land and from the area through emigration. Much of the decline and economic marginalisation of rural areas in the Six Counties has been mirrored in the southern and western border counties.

### **Unemployment and Underdevelopment in the Border region**

Inequalities in unemployment trends for Catholics and Protestants have been well documented. However the parallel problem of regional disparities is something which must also be tackled. For example unemployment rates of Catholics (excluding urban areas of Belfast and the Newry and Mourne Council area) are significantly higher West of the Bann than they are in the Eastern council areas of the Six Counties. Data extracted from the 1991 census by Liam O'Dowd shows unemployment rates of 20% and over in the Cookstown, Derry, Dungannon, Limavady, Moyle and Strabane district council areas. Armagh, Ballymoney, Coleraine, Fermanagh, Magherafelt, and Omagh district council areas unemployment rates of 15 to 18%. In the eastern councils only Belfast, Craigavon and Newry and Mourne have unemployment rates of 15% and over.

Sinn Féin believes that the IDB's failure to provide an equitable distribution of its investment projects and a parallel imbalance in NIO spending on the economic infrastructure of the western Six-County council areas are contributory factors to this marked regional underdevelopment. It makes more pressing the need for a complete reassessment of the IDB's activities and a programme of 'equality proofing' for all future economic and industrial development projects.

As in the inner city areas, Sinn Féin has consulted with nationalist rural communities and has brought forward a number of policy ideas as to how these issues can start to be resolved. In general, the objective for rural areas should be a healthy and diverse economic and social environment where quality of life is enhanced by quality of opportunity.

- An integrated strategy for rural development is required in terms of partnerships between government, development agencies, private business and, in particular, local communities so that full participation and accountability takes place;
- Agricultural diversification into small industry and processing of value-added quality foods targeted at niche markets needs to take place - this will help to ensure that farming continues to play an important part in the rural economies;

- Improved transport infrastructure to increase access to rural areas;
- Sustainable and environmentally friendly tourism should be developed that meets the needs and wishes of local communities.
- The development of a rural investment bank offering low-interest loans and technical advice to small farmers and local areas starting community enterprises.

Sinn Féin wants to see an end to the penalisation of cross border workers who are being unfairly taxed.

The all-Ireland nature of the agriculture sector must be recognised with steps taken now to create representative cross border bodies.

### **The Border Region**

The border region in Ireland experiences many of the same problems as rural areas, but has the added disadvantage of being between two jurisdictions and all the economic, political and social distortions that this creates. The border region is of course a direct result of partition and has therefore long suffered deep economic and social problems. It lacks good access to markets and large centres of population; it has few large towns that could act as a focus for development; it suffers from low income levels; high emigration is rife; and it has poor land and infrastructure. Importantly, communities along the border have to live with the crippling impact of militarisation on economic life - the high incidence of British army military fortifications and numerous border road closures.

The border region is a diverse area encompassing relatively populated towns such as Derry, Newry and Dundalk together with lowly populated areas such as Donegal, Leitrim, Fermanagh and Cavan. However, a number of characteristics have been identified for the region. These include a combination of population increase and employment decrease; a relatively high proportion of dependants (those aged under 15 and over 64); relatively high levels of overall and long-term unemployment; and comparatively high numbers of people employed in agriculture and low numbers in services.

A specific problem associated with developing effective strategies for the border region is that while Sinn Féin wholly supports moves for increased economic integration in Ireland, there is the problem that the border region could be bypassed and therefore not benefit from all-Ireland economic activity.

This problem is compounded by the highly centralised nature of the state in the Six and 26 counties and the concomitant weakness of local government. In this context, it makes it very difficult for local communities to propose and implement effective programmes of a cross-border nature. This is seen, in particular, by the operation of the European Union's INTERREG initiative to promote cross-border economic initiatives and combat the negative consequences of borders. This initiative has been implemented almost wholly through a top-down approach by the British and Dublin governments, rather than through the wide range of groups working on the ground.

Sinn Féin, together with voluntary and community organisations, has put forward a number of proposals to regenerate the border area. In the Monaghan, Tyrone and Armagh area, for example, a number of initiatives have got off the ground looking at the real potential that exists for industrial development, in particular food processing, tourism and tourism related activity and the development and application of information technology.

One important proposal that has been put forward to attempt to get over some of these problems in the border region is the creation of a Border Development Commission. This would help to emphasise the distinctive characteristics of the region; reverse its peripheralisation; create democratic participation in the development of the region; and build on and give strategic direction to the range of cross-border economic and social initiatives that are already taking place. While Sinn Féin's objective remains, of course, the elimination of the border and the creation of a thirty-two county Ireland, it is clear that in the transitional period, and even for some time after, that such a body could play a significant role in developing the economy of the region.

### **The Need for Institutional Reform**

A major component of Sinn Féin's approach to economic regeneration is the need for fundamental and sweeping institutional change to the way in which economic policy is implemented in the six counties and across the island. If this does not occur then the kind of economic and social development that we aspire to will simply not take place. A number of important issues can be highlighted.

- There is a need for full democratisation and opening up to genuine accountability of the development agencies such as the Industrial Development Board that develops larger industry, especially inward investment; the Local Enterprise Development Unit that assists small business; the Industrial Research and Technology Unit that promotes R&D and technological development within industry; the Training and Employment Agency that promotes training and skill development among the workforce; the Northern Ireland Tourist Board; and the International Fund for Ireland that disburses aid from overseas, in particular the US, to areas of economic and social deprivation. The Department of Economic Development that oversees economic policy and the development agencies in the six counties also needs to be made truly accountable.

The need for democratisation also applies to development agencies in the 26 Counties such as the IDA, Forbairt and Forfás which presently operate without any democratic input and the minimum of public accountability.

- A more co-ordinated and integrated approach to the development of indigenous industry and the attraction of foreign investment on all-Ireland basis is required to avoid the wasteful duplication, competition and bidding up of incentives that currently operate.

- Tackling the institutional nature of these British government bodies means unprecedented change to the way in which economic policy is formulated and carried out in the six counties. Communities need to feel that they have a say in the formulation of policy, know what policy is trying to achieve and have an understanding of how effective policy actually is. In other words, there needs to be full and accountable control of British government bodies if the legacy of mistrust and negligence by and of the nationalist community is to be overcome. Past experience proves that the British government and its development agencies have shown no commitment to tackling economic and social problems in nationalist areas in a coherent and effective manner. One way of resolving this would be to designate nationalist districts as areas of highest priority for inward investment as long as the local communities had significant control over strategies being followed both by government and industry.

- Extending the arguments above, local communities and the voluntary sector need to be given genuine inclusion at every level in the decision making process that takes place around economic policy. This would include effective involvement of communities and nationalists, in particular in the formulation of policy and the allocation of public funds to meet specified and agreed economic and social needs. To enable this, new institutional arrangements will need to be developed that allow true participation by nationalists. If those communities most affected by the situation in the six counties and the border region are not part of economic policy making in the future, then the real economic and social problems are unlikely to be tackled and solutions found.

- A key aspect of the way in which economic and social policy has been implemented in the past by the British government and its various development agencies is the systematic nature of economic discrimination that has taken place against the nationalist community. This has been seen in terms of discrimination against Catholics and nationalists in employment and also in the allocation of public funding and investment projects away from nationalist areas. Fundamental and extensive reform is therefore required to fair employment legislation if discrimination against and disadvantage among Catholics and nationalists are to be stopped. Genuine affirmative action, including a stop to the political vetting by the British government of community and voluntary groups, must be seen as an integral part of overall economic and industrial development strategy, rather than an aspect of policy that can operate in some form of legislative vacuum.

### An end to Discrimination

From its inception the unionist Six-County state implemented a system of economic apartheid of which working class nationalists were the principal victims. Apart from the denial of basic civil rights nationalists were for over 50 years systematically excluded by the unionist administration in the areas of employment housing and electoral rights.

In 1969 the then British Prime Minister Harold Wilson promised that "Every citizen of Northern Ireland is entitled to the same equality of treatment and freedom from discrimination." However the 23 years since the imposition of direct rule by the British Government has seen a series of ill planned, and inadequate attempts to implement legislation aimed at redressing employment discrimination. All these attempts have ended in failure and Catholics in the Six Counties are still 2.2 times more likely to be unemployed than Protestants after 20 years of so-called "fair employment" legislation.

Today in the 1990s the level of economic discrimination remains at unacceptably high levels. In September 1992, a leaked document from the British Department of Economic Development stated that "On all major social and economic indicators Catholics are worse off than Protestants."

A 1994 Family Expenditure Survey showed that average gross weekly income for Protestants was 17% higher than the average income for Catholic households. 29% of Catholic households derived their total income from social welfare payments compared with 17% of Protestant households. Throughout the 1990s fair employment cases by Catholics were vindicated against state health boards, local councils and Queens University.

Sinn Féin proposes:

Clear and comprehensive legal powers to eradicate discrimination and to ensure that equality is realised.

Support for the McBride principles.

Affirmative action as the key to redressing the imbalance in the workforce with a timetable for eradicating the imbalance in employment ratios.

Sinn Féin does not believe that the complete eradication of discrimination can be achieved within the confines of the Six-County state or under the auspices of the British Government. Nevertheless, the responsibility to tackle this historic and structural problem lies with the British Government as creator of the Six-County state.



Sinn Féin believes that the ultimate criterion of any legislation is the actual effect of its implementation, it must lead to an end of sectarian discrimination in employment within tangible time scales.

### Investing in Peace and Democracy

If economic and social regeneration is to take off in nationalist areas then there will need to be certain requirements for economic strategy. These would include:

- the development of indigenous Irish manufacturing industry;
- the promotion of inward investment that links in a positive way with indigenous Irish industry, contributes and remains accountable to the local communities that it is located in and meets the needs of the wider economy;
- a commitment to education and training for all people and at all stages of personal development; and
- investment in research and development and the promotion of high technology, in new products and new processes and in existing industries such as food processing, textiles and clothing, as well as new high technology industries.

If this strategy is to be effective, then it needs to be set in the context of a series of underlying principles involving:

- the need for well paid, high skilled and sustainable employment;
- a commitment to and investment in the social infrastructure;
- the absolute necessity of viewing economic development in the wider context of social, political, cultural and environmental priorities; and
- the requirement to instigate full parity of esteem and equality of treatment for nationalists.

### A 'Peace Dividend' For All

A term that has been given particular importance and prominence in discussions around the peace process has been the 'peace dividend'. Sinn Féin welcomes this and urges that the discussion is translated into actual policy and increased economic activity and employment. In this context, it is important to separate each of the component parts of the dividend that could arise. These are:

- funds from outside governments and bodies such as the US and the European Union;
- flows of inward investment from abroad, in particular the US;
- the regeneration of indigenous economic activity as a result of the shift from a war to a productive peace economy;
- the regeneration of the border region;
- the promotion of genuine and full economic integration within the whole of Ireland;
- better co-ordinated policy on all-Ireland basis in areas such as industrial development, agriculture, health care, education and energy; and, perhaps most importantly,
- the freeing up of public resources previously expended on military use and the containment of political conflict such as the police, British army, prisons and the intelligence services (MI5 etc.).

Wherever possible, the 'peace dividend' will need to be utilised according to the types of principles set out above. These include: the necessity for the benefits to be targeted at the geographical areas and social groups of most economic and social need; the requirement for genuine democratic accountability, participation and control by those most affected in the past; and the need to build a truly integrated island economy. Above all is the need for parity of esteem and equality of treatment for nationalists to be an intrinsic part of the 'peace dividend'.

Sinn Féin welcomed the establishment of the EU Peace and Reconciliation Fund but are concerned at the findings of recent studies on the efficiency of the funding. One assessment found that the energy of many groups had been frustrated by bureaucracy and ineptitude of some of the funding mechanisms. A considerable amount of available funding had gone not to community led projects but to consultants. Worst of all government departments were found to be slow to respond to the fund and had at times "reacted against the spirit of the programme".

## **Peace, Economic Development and a New Ireland**

It is Sinn Féin's firm belief that the economic, political, social, environmental and cultural aspects of economic development in Ireland are inextricably linked and must be viewed as mutually reinforcing if genuine benefits for all the people of Ireland are to be realised.

Sinn Féin's ultimate objective is to build a new, prosperous and dynamic thirty-two county Ireland that takes us away from partition, division, domination, discrimination, disadvantage, economic failure and injustice. These are the failed ways of the past. This new Ireland will be based on sustainable social and economic development; genuine democracy, participation and equality at all levels of the economy and society; justice for all irrespective of religion, political opinion, gender, sexuality, disability, age or ethnic origin; lasting and meaningful peace; and unity of purpose and action.