

Forum for Peace and Reconciliation

The Social and Economic Consequences of Peace and Economic Reconstruction

1. In 1983 the New Ireland Forum published a path-breaking report on The Cost of Violence arising from the Northern Ireland Crisis since 1969. Further studies of this topic have since been published, including, in 1994, papers by DKM Consultants and by Dr Mike Tomlinson. In addition, the New Ireland Forum's May 1984 study of The Macroeconomic Consequences of Integrated Economic Policy, Planning and Co-ordination in Ireland included a short analysis of the potential economic effects of a cessation of violence.
2. Since the IRA's announcement on 31 August of its complete cessation of military operations, and the similar announcement made subsequently by the Combined Loyalist Military Command, there has been considerable discussion of the likely economic and financial impact of a stable and lasting peace upon both North and South and upon the island economy as a whole. While most commentators have emphasised the benefits likely to arise from the transformed situation, some notes of caution have been sounded.
3. It is clear that the policies and programmes adopted by the British and Irish Governments will be of fundamental importance in determining the overall impact of the new situation.
4. A further important dimension of the situation is the prospect of substantial additional international support for economic reconstruction, whether in the form of direct financial assistance or otherwise. Particularly significant in this regard are the recently-announced package of United States assistance and the proposals which the EU Commission is to bring forward to the Essen European Council.
5. New possibilities will be offered for the social and economic regeneration of those communities most affected by violence, which tend also to be among the most disadvantaged. Among the particular aspects of this issue are the re-integration of

released prisoners and their families, and of those who have been involved in paramilitary activity, as well as of victims of violence.

6. The Forum could, therefore, usefully examine the social, economic and financial challenges and opportunities likely to be presented by a durable peace, with a view to identifying the principles and key strategies which should inform policy responses to those challenges and opportunities.
7. In so doing, it would appear neither appropriate nor timely, given its non-executive role and the fast pace of developments, for it to seek to enter into a detailed analysis of individual projects which might be brought forward for support. Likewise, it might not be productive for the Forum to seek to involve itself in general debate on economic and social policy issues which are the subject of detailed study elsewhere (eg in the NESC, NESF, ESRI or NIEC). While the Forum's analysis will inevitably touch on the possible role of enhanced North-South co-operation and economic integration in maximising the benefits of peace, an overall study of this issue might usefully be conducted separately.
8. It is suggested that the Forum should concentrate on the general areas set out in the terms of reference below. Exploration of these issues could allow for a valuable contribution to debate on social and economic regeneration and the consolidation of the peace process.

Possible Terms of Reference

9. The Forum will examine the likely social, economic and financial challenges and opportunities presented to both North and South, and to the island economy as a whole, by a stable and lasting peace in Ireland, with particular reference to
 - its impact upon both British and Irish public finances, and upon levels of public expenditure North and South
 - its effect upon patterns and levels of investment and economic activity, both in general, sectorally, and, where applicable, sub-regionally

- the implications, in the short, medium and long terms, for levels of employment, both overall and sectoral
 - the role of international support, both institutional/governmental and private (taking account of the principle of additionality).
10. The Forum will seek to identify the principles and key strategies which should inform the policy response to these challenges and opportunities, with a particular focus on
- the means of maximising the positive impact of a stable and lasting peace
 - ways of ensuring that the benefits of peace are concentrated on the areas, groups and individuals most affected by conflict, both within Northern Ireland and in the border counties of the South
 - the role of economic and social reconstruction in tackling deprivation and inequality and in promoting fair employment
 - the manner in which economic and social reconstruction might assist in the promotion of cross-community reconciliation and social inclusion, including the reintegration of released prisoners and their families, and those involved in paramilitary activity, as well as of victims of violence.

Organisation of Work

11. It is expected that public submissions, and the public hearings which it is envisaged that the Forum will organise, will illuminate many of the issues identified above.
12. It is proposed that the Forum engage economic consultants to conduct a study of the questions set out in paragraph 9 above. The consultants would also be invited to set out their view of the policy options arising from their analysis.

13. The Forum itself, drawing on the consultants' study, public submissions, and the views and expertise of its own members, would then consider approaches to achieving the objectives set out in paragraph 10 above. In this phase of its work, the Forum could work on the basis of discussion papers prepared by the Secretariat, and might choose to assign this work to a sub-committee. Finally, it would then be for the Forum to seek to reach agreement on the broad policy recommendations it might make.

Forum Secretariat

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