Social Exclusion, Social Inclusion
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Preface

This is the second report from Democratic Dialogue, a new think tank based in Belfast.

Democratic Dialogue gratefully acknowledges the generous support of its funders, including the Joseph Rowntree Charitable Trust and the Joseph Rowntree Reform Trust.

It also acknowledges the generosity of the authors of this report, who write in a personal capacity. Their views do not necessarily reflect those of other contributors, or the management committee of DD.

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DD aims to publish six reports per year. Readers may wish to return the enclosed subscription slip, to avail of reduced-rate payment for all reports, free copies of DD’s newsletter and notification of all DD events.

Our next report will begin the exploration of a theme at the heart of DD’s concerns—Reconstituting Politics. DD
This is the first report from Democratic Dialogue on a substantive theme, following the report of our launch conference in June, which determined DD’s agenda over the coming months.

The rationale for focusing initially on ‘social exclusion’ was twofold. Firstly, there is widespread recognition that, whatever progress may or may not be made towards a political settlement in Northern Ireland, there must be tangible changes in people’s lives, particularly for those living in areas which have been the seat of military conflict, if those who have suffered most are to feel hope for the future. Otherwise, they may feel scepticism at best, and cynicism at worst, as to the long-term impact of the paramilitary ceasefires. It is far more evident that business has benefited from the new context—particularly tourism—than that disadvantaged areas have experienced any real improvement.

Secondly, the theme of social exclusion has been rendered topical by the 300 million ecu European Union ‘peace package’ for Northern Ireland and the border counties, in which it figures prominently. This report, however, does not focus on the EU special assistance, which, after all, is a one-off windfall which pales in comparison with the Westminster subvention to the region: it represents some £250 million sterling, over three years, as against annual British government expenditure, net of revenue, in Northern Ireland of £3-4 billion.

This report seeks to take a longer and wider view. What is crucial, if Northern Ireland is ever to become a society ‘at ease with itself’—in whatever constitutional context—is that the issue of social exclusion itself moves in from the margins of policy to the heart of government and becomes a long-term policy priority.

The overview which begins this report, from Hilary Silver, an international expert on social exclusion, indicates why. In a uniquely well informed survey of the international scene, Ms Silver focuses on the core and arguably the most intractable issue—long-term unemployment. She shows that there are a raft of policies which can ameliorate the problem, but none is a panacea and none is without limitations and weaknesses. The implication is that a
concerted, sustained strategic approach is essential to meet the scale of the challenge.

Northern Ireland’s political lexicon seems to expand much faster than meanings are pinned down, and Avila Kilmurray explains why social exclusion is not just a posh way of saying poverty. Ms Kilmurray explores the diversity of experience of social exclusion in Northern Ireland—including how communities can be the authors of exclusion as well as its victims. This diversity is important for policy-makers to recognise, if they are to develop sufficiently nuanced and sensitive responses.

Patrick McGregor and Patricia McKee underpin this qualitative presentation of social exclusion in the region with a statistical analysis of income inequality, how wide it is, how much it has widened over time, and how it compares with the situation in Britain. Pauline Conroy meanwhile compares experiences north and south of the border, both in terms of substantive policy programmes and the processes of addressing social exclusion.

Turning to what can be done at the regional level, Paul Gorecki and Cormack Keating argue for the piloting of a reform of social security in Northern Ireland, with a view to tackling social exclusion. Frank Gaffikin and Michael Morrissey look at the other side of the fiscal equation—whether taxes can be tweaked in a redistributive direction. And Maura Sheehan and Mike Tomlinson argue that to assuage long-term unemployment ‘supply-side’ measures will not be enough: demand for jobs will have to be increased.

Social inclusion is about more than welfare and work, however, and the next two contributors look at how doors can be opened for the socially excluded in health and education. Tony Gallagher mounts a robust criticism of the maintenance of selection at age 11 and calls for a reversal of spending priorities. And Paula Kilbane highlights the minuscule budget for health promotion, while stressing also the importance of developing partnerships with disadvantaged communities.

Processes are indeed as important as outcomes in addressing social exclusion, and the following three contributors explore how the socially excluded can acquire an effective voice. Richard Jay demonstrates that this raises very real dilemmas—including for those who seek to represent the socially excluded. Amidst increasing concern about the growing dominance of quangos in the governance of Northern Ireland, Anne Marie Gray and Deirdre Heenan look at the exclusive character—notably in gender terms—of quango membership. And Quintin Oliver suggests that the practices and the ethos of the voluntary sector may help flesh out ideas of partnership and offer a vision of a society in which everyone can feel a stakeholder.

Finally, Paul Teague—who has played an invaluable role in organising this project—and myself set out some strategic conclusions, drawing together the strands of the report. We suggest how social exclusion can become a long-term policy
priority in Northern Ireland and where the resources can be found. But we also emphasise that for so long as the region lacks a politics of common understanding, the battle against social exclusion will never effectively be won.

Footnotes

1 *New Thinking for New Times*, available from Democratic Dialogue, price £5 individuals/£10 institutions, plus p&p
It is scarcely a decade since the identification of social exclusion as a problem distinguishable from poverty, inequality and unemployment. It is still very difficult to define.

No statistics use social exclusion as an official category. The European Union, for example, falls back on poverty indicators—like the 52 million Europeans with incomes below half the average per head in their member states, or the 16 million unemployed persons, half of whom have been out of work for a year or more. Such definitions as international agencies or governments proffer tend to be the vague product of consensus-seeking or the ideological upshot of national traditions or interest-group rhetoric.

Moreover, the manifestations of social exclusion, and how it is understood, vary across countries. In some societies, immigrants or racial minorities are excluded; in others, regional and linguistic communities. This partly reflects different visions of social inclusion, of integration or solidarity. The history and values of a particular state tend to be embedded in public and private institutions that define the parameters of social membership.

Thus, designing policies to combat social exclusion in Northern Ireland will inevitably raise questions about social membership, in the light of historical and institutional legacies as well as visions of the future. Combating exclusion will need a specific model of integration.
Yet while few European societies have experienced social conflicts as prolonged and violent as in Northern Ireland, the region nevertheless shares some common aspects of exclusion. These commonalities can help define policy options.

Virtually all agree that exclusion is multi-dimensional: disadvantage is simultaneously economic and social. Poverty and unemployment often isolate people, making it difficult to participate in social institutions. Further, it is rare for exclusion from a minimum standard of living or from the labour market to be randomly distributed: they tend to be concentrated among particular social groups. ‘Insiders’ may exploit cultural solidarities or the costs of their replacement, transforming social boundaries that exclude outsiders into inequalities.5

Many consider exclusion to be a recent phenomenon, traceable to the global economic restructuring, family dissolution and strained social contracts of the last two decades. It is thus sometimes conflated with a ‘new poverty’ or ‘structural’ unemployment that persists and even worsens despite resumed economic growth. Yet, there are reasons to question the novelty of social exclusion, rather than its growth, since many who are disproportionately excluded today resemble traditionally disadvantaged populations.6 Northern Ireland reminds us that some groups and regions were even excluded during the post-war boom.

The third EU Poverty Programme pulled together the “main ingredients” of social exclusion.7 In addition to its multi-dimensionality, exclusion was considered a dynamic process which may result from a lack of resources or denial of social rights. Exclusion itself may result in multiple deprivations: breaking of family ties and social relationships, loss of identity and purpose.

The European Commission’s 1994 white paper, *Growth, Competitiveness, Employment*, called for solidarity between those who had jobs and those who did not, between men and women, between generations, and between more and less developed regions. It advocated “neighbourly solidarity” in the fight against exclusion, through urban renovation, subsidised housing, intensive education and—in place of passive income support—“an active employment policy which attaches high priority to the search for an activity or training accessible to everyone”. It called for the creation of 15 million jobs by the year 2000.

The European Social Fund, which pays 13 per cent of the member states’ expenditure on active labour market policies, focuses on “combating long-term unemployment and exclusion from the labour market”. This priority accorded to unemployment was reiterated in a 1994 white paper on European social policy.

This called for “a package of measures which form a pathway of reintegration”, ensuring youth have the skills and opportunity to work, and helping the
workforce adjust to structural change through continuing training. It also advocated decentralised management, better coordination within government, and broadening social partnerships to include non-governmental organisations and community bodies.

These proposals illustrate the types of policy options Northern Ireland may wish to adopt.

Long-term unemployment is a key indicator of social exclusion. In 1993, Northern Ireland’s overall unemployment rate was 14 per cent, exceeded only by Spain (22 per cent) and the Republic of Ireland (16 per cent); its long-term unemployment ratio was 55 per cent, just below that of Belgium (59 per cent), the republic (60 per cent), and Italy (58 per cent).

Long-term unemployment may be viewed as either symptom or cause of social exclusion. The longer a person is unemployed, the less likely he or she is to find employment and the greater the social isolation. Both ‘supply-side’ (worker) and ‘demand-side’ (employer) factors may be responsible for this condition of ‘duration dependence’, which some sociologists use as evidence of a rising ‘underclass’.

For the worker, long-term unemployment can be demoralising. As constant rejection diminishes the motivation to keep looking for work, job searches may tail off. Loss of a socially recognised status may also lead to substance abuse, poor health, mental illness and family instability—not to mention loss of friends and job contacts. Insufficient income may restrict other forms of sociability as well. Even if alternative economic activities—from crime to gardening—are found, formal work habits and social skills may atrophy.

Nevertheless, while some unemployment may result from such personal problems, most studies find it is more likely to be their cause. From the employer’s point of view, however, the long-term unemployed may seem increasingly ‘unemployable’. A hiatus from work signals more than a loss of motivation and social skills: persistent unemployment may erode vocational skills or human capital and implies that many employers have already rejected the applicant.

In this way, the long-term unemployed become stigmatised. Moreover, joblessness is often concentrated among identifiable social groups, making it easier to ignore even their most talented and motivated members. All of the information conveyed by long-term unemployment promotes statistical discrimination.

In Northern Ireland, for example, Catholic men remain over twice as likely to be unemployed as their Protestant counterparts. Although Catholics are younger, less well-qualified, have larger families, live more in western areas of high unemployment, and tend to work in more cyclical industries and less skilled occupations, they still have a higher unemployment rate than Protestants after these factors are taken into account.
It would be wrong to assume, however, that all of the long-term unemployed are socially excluded. Studies throughout Europe find a variety of reactions to joblessness, with some following the downward trajectory of cumulative disadvantage and others persisting in their efforts to stay socially connected or even to regain employment. The fact that joblessness does not inevitably result in social exclusion gives policy-makers some clues about preventing it.

Three sets of policies to combat long-term unemployment can be identified:
(i) lowering the cost of unskilled labour or enhancing human capital,
(ii) matching workers to jobs, and
(iii) promoting job creation.

**Supply-side interventions**

‘Neo-classical’ economists, who tend to see untrammelled markets as arriving at a natural equilibrium, have concluded that the resumption of economic growth means there is sufficient demand to absorb the jobless. The secular rise in European unemployment, they argue, is caused by the reluctance or inability of the unemployed to accept work at a lower wage rate. This diagnosis implies the need for supply-side policies to ‘price’ the unemployed into work.

The ‘Great American Job Machine’ is taken as a case in point. Thanks to only short-term unemployment insurance benefits, low wages and transfer payments, weak unions and minimal regulation of contracts, the US has created many more jobs and has much lower unemployment and very little long-term unemployment.

Unfortunately, there are trade-offs. The war on unemployment may be won at the price of increasing poverty. The US has much higher income inequality than most European countries; the UK, following the American model, exhibits similar trends. The US has also had lower productivity growth, partly because cheap labour discourages capital investment and training. Finally, under-employment in precarious jobs is widespread in the US.

Most European countries have pushed forward with policies to encourage hiring the long-term unemployed by lowering labour costs—temporarily or permanently, generally or selectively. A favourite mechanism is assisted private-sector employment: governments encourage hiring, often in conjunction with training, by providing subsidies to employers or workers.

Sweden and Germany subsidise much of the wage of newly-hired long-term unemployed workers. France used to offer only exemptions from social charges, or non-wage labour costs; under the latest subsidy programme, however, employers also receive a bonus grant for hiring certain categories.

Evaluating such policies is hindered, however, by the need to assess hidden or unintended outcomes. ‘Deadweight’ costs are incurred when policies subsidise activities that would have taken place in the absence of intervention: some workers might have sought training or found jobs without
assistance; some employers might have hired workers without incentives. The public bears these costs.

‘Displacement’ effects may also result: employers may replace unsubsidised workers with subsidised employees or trainees, without increasing net employment. The public and unsubsidised workers bear these costs.

Moreover, employers may ‘cream’ the best workers, doing little for the least employable: the most motivated, most skilled and most recently employed will disproportionately reap the benefits. The EU white paper expressed concern that of the 10 million new jobs created during the 80s, only 3 million were taken by those on unemployment registers. Thus, without ‘positive discrimination’ in favour of the least employable, the excluded may be excluded from the very initiatives designed to help them.

In general, the more short-term the subsidy and the more targeted it is on hard-to-employ categories, the fewer the unintended effects. But a comparative analysis of employment subsidies pessimistically concluded that “perverse and wasteful effects appear to dominate”.14

A related strategy is to relax the minimum wage. For example, the UK eliminated wages councils in 1993. In the US and France, proposals for a lower minimum for unemployed youth were met with protests. Economists are still debating the size of the trade-off between jobs and minimum wages.15

Yet there are less visible ways to achieve the same result. In the US, low wages are supplemented by an earned income tax credit, to ‘make work pay’; in the UK, Family Credit supplements the incomes of low-paid families with a full-time household head. Germany’s ‘dual system’ of apprenticeships and academic training also reduces young workers’ wages relative to adults’.

The fact that the unskilled have higher unemployment rates than the skilled during technological change leads some economists to focus on upgrading human capital. Indeed, it appears that everyone—employers and labour, right- and left-wing parties—supports training programmes.

Yet, given the potential perverse effects, there is no theoretical reason why government training should necessarily reduce unemployment. Employers can reap the benefits of deadweight effects by using training funds to subsidise wages while skimping on skills, or to raise productivity and insiders’ wages without creating new jobs. Displacement effects may also result, since skilled workers can also perform unskilled jobs. And training people for non-existent jobs may be more expensive and less effective in reducing unemployment than demand-side interventions.

If the unemployed belong to stigmatised groups, even training may not overcome such bias. Indeed, the excluded individuals who need training most—the young and long-term unemployed—are ironically least likely to benefit, whether because of
creaming or their basic skill deficiencies.

Training systems vary considerably across countries. In the US, work experience is considered as on-the-job training. On the European continent, however, training is understood as resulting in a recognised credential. Germany and the Netherlands provide apprenticeships in growing occupations identified by the social partners. France subsidises private employers to provide on-the-job training. Other nations, like Sweden, rely more on schools and universities. Further, the content of training differs, in the mix of general-transferable, occupation-specific and firm-specific skills.

The depth of public subsidies and financing of training programmes also varies. Countries like France and Germany impose a training levy on employers, while the UK eliminated its training levy and apprenticeship subsidies. Indeed, since its Training and Enterprise Councils cannot charge fees, they tend to be underfunded. The US never really had levies, although President Clinton has proposed policies to encourage employers to provide more than informal, on-the-job training.

There is some cross-national evidence that employer-provided training raises productivity, employment and wages, benefiting both firms and workers. Yet many employers consider it uneconomical to invest in the training of easily substitutable and readily expendable workers—especially if their competitors do not. Subsidising employer training can favour ‘insiders’, workers who are already the most skilled and ‘trainable’ or who can impose hiring or firing costs on firms.

In Britain, firms are more likely to train those with prior qualifications and in France, despite a rising training levy, private employers are still least likely to train the most unskilled. Even if training subsidies are targeted on ‘outsiders’, employers may simply use them to lower labour costs without providing any meaningful job skills. By default, the public sector may be forced to train the least advantaged workers; the cost may encourage superficial, short-term courses.

Finally, even the best public training programmes do not guarantee success: Job Corps, the residential, long-term job training programme for inner-city US youth, considered the most effective and expensive policy, places only 12 per cent of graduates in related jobs. US training programmes rarely raise earnings by more than $1000 and some may have negative net effects.

During the 80s, Britain and France devoted considerable resources to training programmes, but in both countries the share of trainees who later found work remained low, forcing many to retrain yet again. After a decade of experimentation, both countries consolidated their programmes.

The governments promised unskilled youth a recognised qualification to improve marketability; indeed, the EU now wants to give all youth a right to such a credential. Secondly, emphasis shifted from training
in a ‘socially useful’ activity towards ‘real’ private-sector jobs; both governments are trying to involve business further in training schemes. Thirdly, in return for benefits, unemployed individuals sign personalised contracts or action plans, detailing how they would obtain a position. The goal is to motivate the unemployed to participate actively in their insertion into the labour market.

Though there have been recent cuts, Britain increased expenditure on employment and training programmes during the 80s. All existing adult vocational programmes were consolidated under Employment Training in 1988 (replaced by Training for Work in 1993). ET has had a high (43 per cent) dropout rate, and many who finished earned no qualification. Moreover, about 58 per cent of those leaving ET between 1991 and 1992 ended up in unemployment.24

As the union apprenticeship system declined, British government youth training expanded. Yet only 35.6 per cent of British 16-19 year olds are in full-time education, compared to 80.4 per cent in Germany and 72.2 per cent in France.25 Like ET for adults, YT had a low and falling penetration rate among the long-term unemployed and drop-out rates have been high.26 YT compensates for most of trainees’ wages, but those are very low compared to traditional apprenticeships. Although some have argued that British employers do not train because apprentice wages are too high, youth now have no rights to income support if they do not train.

Moreover, YT is shorter than apprenticeships, and has not improved the ability of youth to pass national qualifying examinations, find jobs faster or earn higher wages.27 Not only do employers devalue the credentials earned; they may even view them negatively.28 The introduction of National Vocational Qualifications was intended to solve the problem, but employer training in Britain remains largely unregulated.

Germany has largely obviated the need for youth training programmes, because over 70 per cent of youth leaving compulsory schooling enter the labour market as apprentices. Its dual apprenticeship system trains students on the job and in vocational college general education classes. Because employers and local chambers of commerce help decide on the content and standards of vocational training, three-year apprenticeships lead to widely-recognised certification for up to 378 occupations. Bank policies and internal labour markets encourage corporations to make long-term investments in workers, but even small firms hire apprentices as their wages are lower (trainees’ allowances cost employers about 25 per cent of adult wages).

Simultaneously, publicly-financed, college-based training provides strong basic skills that make it easier for workers to adapt to changes in the labour market. Because better apprenticeships go to those performing well in school, students have an incentive to work hard even if they do not
plan to attend university. Unions also help monitor quality.

Some suggest Germany’s low youth unemployment reflects not only the integration of training with employer practices, but also—thanks to widespread unionisation and works councils—the greater value placed on manual and technical skills relative to academic qualifications. Indeed, Germany is the only European country where manual unemployment is not much higher than among non-manual workers.

Neo-classical economists have further argued that long-term unemployment is caused not only by inadequate skills but also by the disincentives to work associated with social transfers. Throughout Europe, most of the expenses devoted to combating exclusion have in fact gone to income replacement; less money is spent on the prevention of exclusion or on insertion. Yet the social policy régime that once fitted a full-employment economy is not compatible with the contemporary labour market.

Contributory social insurance assumed that risks were distributed across a lifecycle and that unemployment was cyclical. Structural, long-term unemployment and family break-ups have increased the number of persons—especially youth and lone parents—who have not contributed enough to qualify for the benefits of universalist programmes and raised the number of eligible persons whose benefits have expired.

If, as in France, employers are exonerated from payroll taxes to hire the long-term unemployed, the social security funds are rapidly depleted. If, as in Britain, the long-term unemployed are shifted to cheaper, once-residual, means-tested programmes, public deficits balloon. Yet even these reduced benefits supposedly contribute to ‘malingering’ on income support.

Mounting fiscal pressures and the argument that generous and long-term income support create poverty and unemployment traps have spurred some governments to change benefit systems to reintegrate the unemployed. There is some cross-national evidence that the duration, if not the level, of benefits is related to unemployment.

Sweden’s active labour market policies, for example, include a time-limit on benefits to motivate recipients to find work. Similarly, the EU has suggested topping up earnings from work with income from social security and tax benefits. But other governments have reduced the level, or shortened the time limit, of unemployment benefits, making job-seeking more attractive and compulsory. ‘Workfare’ reforms of means-tested income-support policies require once-passive recipients of benefits to participate actively in their own insertion.

The UK reformed its income support programmes in the late 80s in line with this logic. Although British unemployment benefit levels have always been relatively low, and there is little evidence that generous payments created work disincentives, the maximum duration of unemployment benefit was reduced from one year to six
months, and the long-term unemployed were shifted to less generous supplementary benefits.\textsuperscript{31} Indeed, by the late 80s, supplementary benefits were worth only about one-eighth of average male earnings for a single person.\textsuperscript{32}

Eligibility standards were meanwhile tightened, although those excluded from benefit may have found their job search further impeded without support.\textsuperscript{33} Active job-seeking was also made mandatory for benefit recipients. The young, the unskilled and the long-term unemployed were expected to attend Restart courses, undergo training, actively seek work and accept job offers. In the US, Congress has recently been elaborating a welfare reform placing a time-limit on all support, despite experimental evidence that state-level welfare-to-work programmes have had only modest income and employment effects for the hard-to-employ.\textsuperscript{34}

In late 1988, France introduced a guaranteed ‘minimum income of insertion’ that requires recipients to sign a contract to participate in a social or professional activity. But evaluations found that only a minority of recipients obtained a stable job; indeed, by mid-1992, only 44 per cent of recipients had even signed a contract. Having done so, recipients waited six months on average to be offered an ‘insertion’ activity, twice the anticipated waiting period; entrants to the programme still exceed exits.\textsuperscript{35}

The question remains as to whether the labour market is able to absorb so many workers without intervening on the demand side or making government the employer of last resort. Indeed, if workfare is designed to draw more unemployed workers into the labour market and, thereby, lower wages, elsewhere policies have sought to reduce labour supply. For example, part-time pensions or lowering the retirement age can encourage pre-retirement of older workers. But this has not necessarily reduced unemployment among displaced workers over 50 years old, because it inadvertently signals to employers that older workers in general are expendable.

Women workers pose a more difficult problem in fighting unemployment. In the EU overall, female unemployment was 12 per cent in 1993, compared with 9 per cent among men, though there is considerable cross-national variation. On the one hand, equity calls for programmes that reconcile work-family conflicts, guard against discrimination, offer equal social benefits and provide access to predominantly male occupations. On the other hand, these policies make paid work more attractive to women, increasing the labour supply. In jobs where women compete, wages may be pushed downward.

It may be surprising to learn that, during the 80s, Northern Ireland did not lag behind the UK in job creation. But four-fifths of those new jobs went to women, most of whom were previously not in the labour force. Few of the officially unemployed, most of whom are men, were hired.
In sum, the premise of supply-side policies is that wages are too high to absorb available workers. But these policies have not been very successful: even the drastic deregulation of the British labour market during the 80s did little to reduce unemployment.

Although countries with less flexible labour markets and centralised bargaining do have more stable employment and unemployment, and less income inequality, they do not have higher average unemployment rates or slower productivity growth. While social programmes do affect employer and worker behaviour, they do not create major inflexibilities. And high unemployment insurance benefits and minimum wages do not appear to raise a country’s long-term unemployment rate.

**Matching policies**

Related to supply-side and wage-setting policies are those labour-market interventions that improve the match between supply and demand. Indeed, as firms operate in global markets, become less hierarchical and require transferable skills, improving mobility between employers has become increasingly important for reducing the concentration of long-term unemployment in particular regions and among particular workers.

The role of a public employment service is to facilitate the match of available workers to available jobs. Indeed, in some European countries, employers must hire from the national unemployment queue. A good employment service not only registers existing jobs but analyses shifts in labour demand. By providing clues about where jobs are opening up, workers can be guided to specific regions or particular types of training. Studies have found job-search counselling to be effective in reducing the length of unemployment, in Britain, Sweden, and elsewhere. Indeed, job placement services may overcome employer biases better than training and reduce recruitment costs.

Because the excluded have fewer social and financial resources, the most disadvantaged are most likely to rely on the employment service. In prosperous areas of the UK, advertisements are used more often, but the long-term jobless in high unemployment regions turn most frequently
to job centres and are more likely to take Restart courses. Yet, while Restart is compulsory for the long-term unemployed, only one in 110 claimants acquired a job in 1991. This led some observers to remark that job centres were policing and discouraging, rather than assisting, the unemployed.

In contrast, Swedish local employment agencies perform a myriad of functions well, allowing rapid adjustments of labour to shifts in demand. They provide assistance for geographical mobility and a job orientation service. They systematically collect and analyse labour-market information, and anticipate changes in demand and necessary training. Even as Swedish subsidies have been increasingly targeted on youth and the unemployed, they are as concerned with shifting labour into growing sectors as with retraining per se.

In Sweden, Austria, France, Germany, Britain and Ireland, the trade unions have established local centres for the unemployed to provide job counselling and benefits advice, and to represent the unemployed in local public affairs. For example, there are 118 TUC centres for the unemployed in Britain, most operating in local authority premises. Italy’s CGIL confederation has a national network of centres, which share information about rights, jobs, and training.

In the fight against exclusion, it is particularly important to find effective ways to enforce equal opportunity laws. As experience in Northern Ireland testifies, informal networks act as a form of social capital: the ‘chill factor’ of unfriendly workplaces or neighbourhoods may exclude certain job applicants. Similarly, clubbishness and sexual harassment may drive women out of male-dominated fields.

It is very difficult for public policy to expunge these informal sources of social preference and exclusion, however. In the US, affirmative action and court-ordered desegregation were modestly successful in integrating segregated workplaces and neighbourhoods, but they have been very controversial. France, too, is still ambivalent about legally recognising immigrant minorities. Any programme placing people in categories has the potential of reinforcing the very social cleavages it seeks to eliminate.

Moreover, there is only so much coercion governments can apply. In socially divided societies, a strong and prolonged commitment to integration is essential to overcome cultural practices of exclusion while still protecting civil liberties. Integrating civil societies requires the creation of a public sphere in which strangers can find common interests and co-operate despite their differences. It is a challenge that Northern Ireland will also have to face.

Demand-side policies

‘Neo-Keynesian’ economists—more sceptical than their neo-classical counterparts about the self-regulating capacity of markets—believe European monetary policy has been too restrictive in the face of high unemployment. Since 1991, 6 million
European jobs have been lost and because unemployment has risen for both skilled and unskilled workers (albeit at different rates), supply-side remedies alone, they argue, are unlikely to work. Moreover, high-unemployment countries do not and did not have higher wages than low unemployment countries, so wage levels alone have not been the source of the problem.

Supply-side remedies cannot work if employers are not persuaded to hire the long-term jobless. The government may thus have to institute selective fiscal policies or guarantee such workers a job.

In Germany and Sweden, all institutions give priority to full employment. There, the social partners operate a coherent system of centralised bargaining. In Britain and France, by contrast, conflicts between labour and employers have made it difficult to institute comprehensive reforms that would produce a non-inflationary wage consensus to help reduce unemployment.

Without a vision of national integration, based on a consensus between the social partners, political problems can result. Employers often consider public and non-profit projects promoting the ‘social economy’ to be ‘make work’, and they may insist these be restricted to less profitable niches the market has yet to fill. Unions, meanwhile, already under pressure to relinquish hard-won benefits and protections, may oppose the hiring of the long-term unemployed on more flexible terms or at a lower wage.

Demand-side interventions seek to overcome the institutional obstacles to hiring the unemployed. Selective deregulation and job creation are the two main strategies. Most governments have been relaxing labour regulations on hours, overtime or length of contracts, to encourage the flexible restructuring of production. Temporary jobs can give more workers experience and prevent skills from atrophying, while part-time jobs can encourage hiring two workers in place of one. Flexible work arrangements can also be used to replace skilled with unskilled workers who have higher unemployment rates. Finally, deregulation can reduce hiring and firing costs that discourage employers from taking on new workers until they are sure that growth has resumed, or from firing insiders protected from dismissal.

A related way of increasing employment in a slow-growth economy is work-sharing. In the Netherlands and Denmark, in particular, reducing the number of weekly work hours and raising the share of part-time jobs succeeded in redistributing a given volume of work among more workers. Other policies that could fulfil similar functions are job-sharing (creating two part-time jobs out of one) and encouraging parental and training leaves, to provide temporary jobs for others.

But the problem with all these strategies to repackage labour supply into different ‘bundles’ of hours is that labour can not be perfectly substituted: work schedules mesh with production constraints and the
ebb and flow of demand, and additional hiring costs may require compensating declines in wages. As the French debate on work-sharing revealed, employers see a reduction in the working week, without a corresponding wage reduction or productivity increase, as a windfall for labour, rather than an opportunity to engage more workers. Advocates have concluded that the length of the working week must be reduced by more than a few hours to have a significant impact on unemployment.

In contrast, Sweden uses subsidies not so much to increase flexibility or lower wages as to compensate for downturns in demand that would otherwise raise unemployment. Subsidies shift workers into growth industries and make up the shortfall between ‘handicapped’ workers’ productivity and a just wage. Unfortunately, this counter-cyclical approach can be expensive. While most EU countries have cut or held constant social expenditures as a share of gross domestic product, Swedish expenditures have soared.\(^47\) Sweden spends much more than other countries on active labour-market policies to maintain full employment.

Creating new jobs avoids the zero-sum conflicts that require sacrifices from some members of society to integrate the excluded. New firms may undercut insiders who prefer augmenting their own wages to expanding employment. In addition to macro-economic policies, there are many programmes aimed at creating new jobs for the least advantaged. The three most important are ‘insertion by economic means’; assistance to small enterprises and the self-employed; and local economic development.

**Insertion by economic means** is an increasingly popular way to bring the long-term unemployed back to the labour market. Whereas an effective industrial or urban policy with financial incentives is often necessary to coax private employers to expand employment, the idea behind insertion by economic means is to encourage new firms that integrate social purposes with the economic goal of job creation.

As with the co-operative movement, work is here conceived as going beyond the cash nexus to encompass cultural, educational, health and family life. In France, a job may be tied to personalised social services; this social framework prevents the long-term unemployed from becoming isolated, losing the discipline of daily routines and falling into illegal activities.

Such activities are usually confined to the less-profitable, labour-intensive ‘social economy’—domestic services, home health care, care of children or the aged, or ‘green’ tasks—where they do not directly compete with private businesses, and most require public subsidies. Moreover, the small scale of such insertion efforts has so far been insufficient to cope with the enormity of unemployment.

These work organisations reintegrate the most socially marginal populations who have trouble holding a traditional job and who are unassisted by more conventional
insertion programmes (for example, the long-term unemployed, ex-convicts, substance-abusers and homeless persons). They originated in the efforts of ordinary citizens, social workers and social action groups. Often headed by strong, even charismatic leaders, they nonetheless require active participation of volunteers and the beneficiaries of their services.

There are no more than a few thousand such initiatives in France—all told they have created about 22,000 full-time equivalent jobs—and evaluations suggest that, while they reorientate the long-term unemployed to work norms and social relations, the employment prospects of participants are not much enhanced by their experience. As in Germany’s work creation schemes, the majority of those leaving do not find an ‘ordinary’ job.48

Among such initiatives, there are 60-100 local partnerships, comprising inhabitants, elected officials and landlords, who establish a neighbourhood structure for insertion. They operate in local markets—in building maintenance, gardening and other neighbourhood services—but also seek to increase access to the rest of the city. Priority is given to the most disadvantaged residents in hiring, employment is coupled with training and social services, and opportunities are provided for residents to participate in all stages of a project, most of which are aimed at developing the social life of disadvantaged neighbourhoods.

What are called ‘local plans for economic insertion’ co-ordinate and rationalise the actions and funding of the many different partners. Some 50 French cities now have such plans, concentrating on the most excluded groups. They also disburse European Social Funds (objective 3) and funds from the French labour, social affairs and urban ministries.

The EU is trying to widen the concept of work to include the ‘social economy’, intermediate associations and the informal economy, to assist those in marginal positions to re-enter the formal labour market. Whether through tax exemptions, public-private partnerships or income support coupled with work in the non-profit sector, the social economy should serve unmet social needs while assisting the unemployed.

Indeed, the Poverty 3 projects concentrated on decentralised, small-scale production by local organisations, emphasising the social economy.49 Most projects combined diverse activities like vocational training and housing, health or social services with business assistance, job creation and local development initiatives. The scale was modest but intensive.

Even Britain, with its emphasis on market enterprise, has counterparts to this. The growing voluntary sector has supplemented central government initiatives to fight social exclusion in British localities. Most similar to the French approach are community enterprises: development trusts, community companies, co-operatives and other voluntary associations. They comprise a grassroots approach to
“sustainable, people-centred development”, in partnership with local business and government. Established in the 60s and 70s, non-profit community development trusts now number in the hundreds, some funded through Task Forces, City Grant, or City Challenge. As in France, however, community enterprises in some localities have consisted of “short-term, disorganised activities”, which contribute to the confidence and skills of the unemployed but have not realised their grander aims.-community-led development remains small-scale, underfunded and marginalised in a national context favouring insertion in profit-oriented businesses.

Like the British Community Programme (Community Action), the initiatives under the Republic of Ireland’s Programme for Economic and Social Progress, and France’s ‘intermediary associations’, Northern Ireland’s Action for Community Employment scheme directly provides the long-term unemployed with up to a year of paid employment in projects of community benefit, particularly in deprived areas. Some training is also provided. About a third of the jobs are part-time, however, and so again attract women without reducing the unemployment rolls.

In addition, placement rates after ACE (about 35 per cent) are about the same as those among the unemployed more generally, casting doubt on the quality of training provided. Thus, Northern Ireland’s experience with insertion by economic means is similar to that elsewhere.

The British approach to job creation has emphasised entrepreneurship and small business development, and narrowly economic over social goals. Different countries promote self-employment in different ways—from training, low-cost credit, and targeted state contracting to reduced administrative costs, assistance with feasibility studies and reduced start-up expenses.

In the US, for example, access to capital has been one of the greatest impediments to minorities seeking to start a small inner-city business. Community development banks and credit unions furnish disadvantaged entrepreneurs with small, low-interest loans, personalised business training and long-term attention, reducing defaults. France promotes small business creation by the long-term unemployed with technical assistance and subsidies.

But no European government promotes entrepreneurship as a cure for unemployment more than Britain, including via the Enterprise Allowance Scheme, introduced in 1983, and offering a £40 weekly supplement to the profits of any approved business established by the previously unemployed on benefit, provided they invested at least £1000 and worked full-time.

Yet in 1989, just 18 per cent of the newly self-employed in Britain were previously unemployed. There is little evidence that self-employment is related to unemployment over time or cross-nationally. After all, many of the unemployed are unlikely to do well in self-employment. Successful entrepreneurs usually have capital, work
experience, formal education and many social relations. Indeed, access to 'social capital' more generally seems essential to small business expansion.

European countries with high unemployment, like Italy, have experienced a renaissance in self-help activities and household economies among the poor, a phenomenon once confined to developing countries. Although such ‘concealed employment’ is notoriously difficult to measure, most indicators suggest it is rising. However, rising unemployment does not appear to be related to informal economic activities, because social capital is more plentiful in some areas and groups than in others.

Informal economies are less likely among the socially disaffiliated: studies in Britain and France suggest that concealed employment complements official employment, while the unemployed are less likely to engage in informal economic activity. Some argue that neighbourhoods with high jobless rates lack a reservoir of trust or social capital. Rather than social segregation having the positive economic consequences of protected markets, residents of such areas are socially isolated.

That is why the social component of insertion is so important. Among the economically inactive, participation in local voluntary activities or a ‘household economy’ can enlarge social networks. Access to social capital can lead to paid employment as well.

**Local economic development** activities are intended to reknit communities as well as create jobs. Instead of non-resident labour and businesses providing for residents’ daily needs, local ones might. But, as many countries have discovered, the market for such goods and services is also limited, especially in poorer locales. To stimulate growth, any capital or wages earned must be captured and reinvested in the area. Non-profit and community-based enterprises often collapse without public subsidies or protection. Alternatively, local economic development policy may aim to export goods and services, bringing new capital into the community.

Of course, urban development activities are motivated by social and political, as well as economic, considerations. Indeed, most governments initiated urban policies to quell neighbourhood disorders. For example, after violent incidents in disadvantaged suburbs, a 1991 French law aimed to redistribute resources from richer to poorer areas in the name of solidarity. But social programmes on their own were insufficient to combat exclusion in these locales.

As American and British urban policies illustrate, the trend has been to shift from social to economic interventions, and from public to private provision and investment. The emphasis is on physical, rather than social development. Not surprisingly, evaluations of both British and French urban policies have called for a better balance of social and economic objectives. Urban policies should not only fight unemployment but also crime, delinquency, drug...
abuse, family dissolution and school-leaving.

Schools must tackle social problems and police must learn more about the communities they serve. Cultural and recreational activities are particularly important in areas of high unemployment. Without social interventions to engage idle youth, infrastructural improvements can quickly fall into disrepair. Building projects should be coupled with apprenticeships in construction trades for local youth and contracts for local businesses.

An effective urban policy locally co-ordinates physical planning, economic development and social insertion locally, using each to leverage the other. An implicit assumption of urban policy is that people with multiple disadvantages concentrate in certain places. Yet designation as a deprived area requiring public intervention can stigmatise all residents and repel potential investors.

An attack on urban exclusion focuses on places, not people. But it does provide a convenient, if inefficient, way to target social exclusion without mentioning the social groups who disproportionately live there. Urban policies are only beginning to take residents’ opinions and identities into account, but they can be a powerful tool to empower communities, mobilise participation and enhance local democracy.

Yet the difficulty of moving the long-term unemployed even into newly-created jobs suggests government may have to serve as an employer of last resort. Public works, particularly investments in productive infrastructure, have had some success in the past. The best known examples are the New Deal programmes, introduced in the US during the Great Depression, which built bridges, roads and dams, beautified cities, and planted forests. Between 1973 and 1982, one programme subsidised almost 3 million temporary public service jobs in localities for the hard-to-employ. Evaluations found small earnings gains, but substantial displacement of public-sector workers in some localities.\textsuperscript{57}

In Britain, the Community Programme, introduced in 1982 and ended in 1988, provided the long-term unemployed with temporary employment on “projects of benefit to the community”. Of the 250,000 places in 1985, half were sponsored by local authorities and the others by voluntary associations.\textsuperscript{58} Similarly, France plans a new housing construction programme, to create work and house the homeless.

New environmental projects and large-scale public construction programmes, like Europe’s planned high-speed rail network or more public housing, could also provide many manual jobs for the long-term unemployed, while benefiting the entire economy. Maintaining the new infrastructure could sustain employment once these projects are completed. Fiscal and industrial policies are important tools to reduce unemployment. Jobs need to be reserved, however, for the least favoured groups.

Sweden is the prototype. Sweden subsidises public employment for the
‘handicapped’, broadly defined as those whose employability is weakened for physical, intellectual or social reasons. In addition to ‘sheltered’ work in special enterprises and non-profit associations, local governments are required to hire the long-term unemployed if employment agencies cannot find them other jobs.

Yet the Swedish experience, like that of the US, suggests guaranteed government employment has simply shifted labour to the public sector, while doing little to reduce taxes or wage demands of private employees. To overcome these problems, public-sector employment may have to be made more undesirable or stigmatising, as in Workfare. In sum, job creation programmes can lower unemployment, but they are not a panacea in the absence of sustained economic growth.

In light of the mixed success of anti-exclusion policies, many conclude that new global economic realities and the common social problems associated with them have rendered nation-states impotent, if not irrelevant. Yet, despite the poor record of the policies surveyed here, states still have an important role to play. As policies are continuously evaluated, more is learned about how to make them effective. And one of the most important lessons is that just as labour markets are restructuring, government interventions must restructure too.

Rather than economic deregulation, state restructuring entails reregulation. If global or regional institutions, rather than sovereign states, are increasingly regulating trade, immigration and human rights, national governments remain the primary institutions that integrate national societies on the basis of shared citizenship. But they do need to change.

Social welfare bureaucracies developed specialised areas of expertise that address one social problem at a time. Social welfare programmes could assume that passive recipients of transfer payments and services would rejoin the labour market when growth resumed. But just as hierarchical corporations are flexibly assembling problem-solving teams and orienting products to consumers, state bureaucracies are reorganising to address multiple, interrelated social problems and to encourage the excluded to participate in their own inclusion.

The challenge is integrate institutions into a co-ordinated whole. Since social exclusion is multi-dimensional, and aspects of deprivation are inter-related in complex ways, a systematic approach is necessary. New institutions are already drawing upon many disciplines and attempting to coordinate the interventions of many actors. And because social exclusion entails a lack of power, social relations and the economic resources needed to organise politically, new institutions provide a mechanism for the excluded themselves to participate actively in decision-making. Thus, institution-building is part and parcel of establishing a new régime of social regulation.
to fight exclusion.

In virtually all the anti-exclusion programmes scrutinised, multiple actors and interventions are involved. At the national level, the fight against exclusion has promoted inter-ministerial commissions, encompassing representatives from human services, labour, commerce, housing, health, culture, education and other previously independent bureaucracies. In countries where they are officially recognised, the ‘social partners’—business and unions—may join the discussions, especially where taxation, expenditures or wage restraint are involved. Where representatives of non-governmental organizations receive subsidies for service provision, governments may consult them as well. These new inter-ministerial, intersectoral, or corporatist institutions have facilitated the diffusion of information about programmes that work, and provide feedback about necessary reforms.

Locally, the same approach can be discerned in the new institutions of urban development policy. Decision-making has become more inclusive, especially of business and voluntary associations. Poverty 3 required the creation of new partnerships with public, private and voluntary-sector representatives, including employers, unions, “citizen interest groups” and “service consumers or local residents”.

This is not to say that these new multipurpose institutions have worked very well to date. Poverty 3 noted a tendency to accumulate functions rather than develop “coherent and integrated strategies containing interrelated priorities”.60 Similarly, in France and Britain, evaluations have criticised the lack of co-ordination between professions and bureaucracies accustomed to working alone.61 Different agencies still serve specific, rather than multiple, needs; this may duplicate services or bring contradictory effects.

Co-ordination among institutions operating at different levels also remains elusive. A review of Poverty 3 found that after national governments agreed to co-fund local projects, support was provided in kind or too slowly, or was restricted to specific uses.

The evaluation also noted the importance of having national insertion policies in place even for modest, subsidised local initiatives to succeed. Finding the appropriate mix of local autonomy and national or international regulation remains a challenge for new insertion initiatives.

In sum, institutions designed to combat social exclusion must be both comprehensive in scope and articulated at many levels. Political parties once operated in this manner: they aggregated broad sets of interests into integrated political programmes and operated at all levels of government. In recent years, however, local party organisations have atrophied, allowing new associations and movements to step into the breach.

Political parties increasingly focus on organised constituencies or make direct appeals to voters through the mass media.
This transformation has made it more difficult for parties to reconcile the interests of the excluded with those of better-organised groups. Political institutions appear to shelter insiders at the expense of outsiders, rather than fostering social integration.

Moreover, expanding the number of chairs at the corporatist table makes bargaining more complex and consensus-building more elusive. It has also been difficult to foster voluntary participation in new insertion institutions. Unions are often ambivalent about representing the unemployed, whose interests may conflict with those of their members. Many employers are reluctant to participate in the fight against exclusion when their own employees are not involved. And although they often do not know much about them, small business people often complain that programmes to employ the excluded are too costly and burdensome.

Perhaps the most difficult issue is deciding who shall represent the excluded themselves. National and EU insertion programmes have all suffered from insufficient participation by the target population. Yet in the headlong rush for interlocutors, the internal political practices and representativeness of non-governmental organisations are rarely scrutinised.

Moreover, many NGOs may compete for the privilege of participation, and some associations, particularly the most militant, are often excluded. And institutions do not readily share power or encourage former clients to make decisions, leading to token representation. Further, advocacy group leaders are easily co-opted through patronage. When the disadvantaged join organisations, they are no longer, in a strict sense, excluded. NGO representation ‘creams’ off those with more social capital.

These problems of representing the excluded are inherent in a top-down approach to social policy. Poverty 3 noted that neighbourhood and voluntary groups co-operated in inclusive local partnerships best where “national traditions” were more “conducive to self-organisation and where institutions have set aside their rivalry and power struggles”. Still, some governments perceive grassroots initiatives as politically threatening or disorderly, and seek to bring them under centralised control.

Governments should be careful not to stifle grassroots participation or undermine informal social ties among ordinary members lest programmes create the very exclusion they seek to eliminate. One solution is to make resources and leadership training available to excluded groups.

For example, during the 60s the Community Action Programme in the US created numerous new organisations in low-income neighbourhoods. Those that survived are today among the most successful American community development corporations, and their leaders went on to become mayors and other African-American leaders. In some severely depressed locations, Poverty 3 initiatives stimulated associational activity where it was previously absent. Support for
constructive neighbourhood initiatives of all kinds can yield larger numbers of experienced, legitimate representatives of excluded groups to participate in broader institutions.

Indeed, the fight against exclusion can revitalise citizenship more generally. As Jean-Baptiste de Foucauld, France’s former Commissaire du Plan, has argued, “a citizenship for the unemployed” must be based on three related principles: expression, representation, and partnership.64

Firstly, the public thinks of unemployment as a statistic because, in daily life and civil society, the absence of a voice for the unemployed renders them invisible. Engaging the unemployed in ‘social exchange’ would have positive benefits both for them and the society more generally.

Secondly, citizenship refers both to active participation and to representation through intermediary groups. Contrary to popular opinion, the unemployed are already active, looking for work. But because they are dispersed and heterogeneous and united mainly by their common situation and values, they are best represented through voluntary associations. Mr De Foucauld proposes subsidising new organisations of the unemployed with a voucher to be redeemed at the association of their choice. Indeed, there is little distinction between associations of the unemployed and those helping the unemployed, because members of the latter were often formerly jobless.

Finally, representation of the unemployed is essential to democracy. Now that majoritarian citizenship has been achieved, minorities must be included. The unemployed should have representatives in consultative and decision-making bodies and in partnerships among public agencies, unions and the associative movement.

Participatory democracy and a vibrant civil society can provide excluded groups with a public forum to express their particular concerns. Through representatives in new, broader, multi-purpose institutions, the involvement of excluded groups can revitalise active citizenship more generally. In this way, the process of constructing a new model of social integration can be truly inclusive. 60

Footnotes

1 This is an edited version of a much longer paper by the author. Copies (£1) can be obtained from Democratic Dialogue.

2 The first EU resolution to combat social exclusion was passed by the Council of Ministers for Social Affairs in September 1989; it was reaffirmed by the European Commission in Towards a Europe of Solidarity, COM(92) 542, Brussels, 1992.


Geneva, 1995


8 Thus the vast majority of the Poverty 3 programmes defined long-term, and youth, unemployment as particularly severe—preferring these as a focus to the inner-city crisis, immigration, racial discrimination or industrial decline.


13 The generosity and duration of German ‘settling-in allowances’ for the long-term and older unemployed has made it possible to place almost all of those eligible.

14 J Gautié, B Gazier, R Silvera, D Anxo, P Auer and F Lefresne, Les subventions à l’emploi: Analyses et expériences européennes, La Documentation Française, 1994


18 Only 12 per cent of US workers received their required training in formal company programmes, while 27 per cent received informal on-the-job training; unskilled workers are the least likely to receive training and the number of apprenticeships has fallen.

19 Lynch, op cit, 1994; OECD Economic Outlook, Paris, 1992


25 Shackleton, op cit, pp 93-95; the US provides even less post-school training than Britain
27 Dolton et al; Lynch, ‘Payoffs ...’, op cit; Blanchflower and Lynch, op cit
29 The end of the guestworker program also helped. Shackleton, op cit.; David Soskice, ‘Reconciling Markets and Institutions: The German Apprenticeship System’, in Lynch ed, Training ..., op cit
34 After five years, welfare-to-work programmes shortened participants’ episodes of joblessness compared to non-participants, but their earning levels, quality of job and duration of employment did not differ. However, some programmes did save the government money. Daniel Friedlander and Gary Burtless, Five Years After: The Long-term Effects of Welfare-to-Work Programs, Russell Sage Foundation, New York, 1995, p22; Judith Gueron and Edward Pauly, From Welfare to Work, Russell Sage Foundation, New York, 1991
35 Valérie Delahaye, Politiques de lutte contre le chômage et l'exclusion et mutation de l'action sociale, École nationale d'administration, Paris, 1994
38 In Italy, social criteria like the number of dependents and length of unemployment are used to rank the unemployed whom employers must hire in that order. CEPR, op cit, p60
42 Underlying categorical programmes is a ‘moral hierarchy’ of more or less deserving groups, reminiscent of traditional charity rather than citizenship rights. However, they also reflect strong political constituencies more than real needs. Categorical programmes tend to segregate the target group from the rest of society, reinforcing exclusion and de-emphasising the wider processes producing deprivation. See Graham Room et al eds, National Policies to Combat Social Exclusion: First Annual Report of the European Community Observatory, European Commission (DGV), Bath, 1991, p34
44 OECD, Economies in Crisis, Paris, 1989


MacDonald and Coffield, op cit

ibid

OECD, Employment Outlook, Paris, 1992

OECD, Employment Outlook, Paris, 1986


Mark Bendick and Mary Lou Egan, Business Development in the Inner-city: Enterprise with Community Links, Community Development Research Centre, New York, 1991


OECD, Measures to Assist the Long-term Unemployed, Paris, 1988


Commission of the European Communities, 1993, op cit

Belorgey, op cit; François Geindre, Ville, démocratie, solidarité, La documentation française, Paris 1993; Hill, op cit, p192


Commission of the European Communities, op cit

Jean-Baptiste de Foucauld, ‘Une citoyenneté pour les chômeurs’, Droit Social, vol 7, no 6, 1992
Beyond the stereotypes

Avila Kilmurray

The ‘poor’, if not invisible, are often viewed as a homogeneous, and dehumanised, mass. Yet a more sympathetic picture would present a wide diversity of experiences of social exclusion. It would also demand greater sensitivity to the variety of mechanisms at work. And it would require a view of social exclusion as a—reversible—process, rather than a state of affairs to be fatalistically accepted.

Painting that more nuanced picture is necessary if policy-makers are to elaborate humane and sophisticated responses to social exclusion. It is necessary, too, if disadvantaged communities, geographically or otherwise defined, are to find an effective voice—and, indeed, to address themselves how they can sometimes be complicit in the exclusion of others.

Donna, an 18-year-old single parent living with her nine-month-old daughter, Danielle, in the Brownlow area of Craigavon, put it this way:

The worst thing about it is the boredom. There is nothing for young mums to do—we just sit in each other’s houses. I get up in the morning, feed the baby, then go back to bed. Later I do a bit of housework, sit in with friends and just wait for my boyfriend to call around. Sometimes I think, ‘My God, this is my life!’

Donna actually felt better off in retrospect than some of her friends, whose boyfriends had left them when they found they were pregnant, but her despondency and limited expectations come through clearly enough. Contributing factors were not just minimal social security benefits but also lack of childcare, poor educational attainment and isolation. Nor did living in a community marked by disadvantage offer any alternative aspirations.

A victim of social exclusion—or just poverty? Thirty years ago Jules Feiffer wrote in the *Village Voice*: “I used to think I was poor. Then they told me I wasn’t poor—I was needy. Then they told me it was self-defeating to think of myself as needy. I was deprived. They then told me that underprivileged was overused. I was disadvantaged. I still don’t have a dime. But I have a great vocabulary.”

‘Social exclusion’ might be thought just another link in a chain of shifting terminology. As one member of the European...
Union Observatory on National Policies to Combat Social Exclusion, Seamus O Cinneide, pointed out, “There is no point in using the term simply as a new piece of jargon, a pretentious flavour-of-the-month synonym for the familiar grim reality we once called poverty.” Mr O Cinneide outlined three key dimensions of social exclusion: unemployment, poverty, and personal and public rejection.

The observatory asserted that social exclusion could be analysed in terms of the denial—or non-realisation—of social rights. It went further, holding that exclusion from political rights often went hand-in-hand with other forms of exclusion.

Three years after the observatory report, the EU social policy white paper reiterated: “The marginalisation of major social groups is a challenge to the social cohesion of the Union and calls for a mobilisation of efforts by Member States and all the parties concerned, and for a reinforcement of the bulwark of social rights. It is clear that contemporary economic and social conditions tend to exclude some groups from the cycle of opportunities.”

The observatory examined the impact of social and economic conditions on five categories of people felt to be particularly vulnerable to social exclusion. As Donna’s case makes clear, potential victimisation and social exclusion depends largely on income and the degree of forced dependence on state benefits and services: a young single parent with money could employ a nanny or resort to boarding school, while Donna had to make do as and how she could.

With that rider, however, the five categories identified by the EU observatory can be adapted thus for the Northern Ireland context, as groups running a severe risk of exclusion:

- elderly people living on an inadequate income,
- people with physical and mental disabilities,
- young people without educational attainments,
- women in low-income families, and
- migrants and ethnic minorities.

And we can add to the list:

- low-income, single-parent families,
- young people leaving care,
• long-term unemployed,
• gays and lesbians,
• homeless people, and
• prisoners and their families.

Moreover, the needs of children in families affected by any of the above circumstances must be taken into account.

A private study commissioned by the Northern Ireland Voluntary Trust in 1993, into the attitudes and perceptions of people living and working in disadvantaged areas of Belfast, reflected the views of some of those affected by social exclusion.5

There’s a big solvent abuse problem in the area and a lot of the older kids that are involved with that, their attitude is, so what, when you point out the dangers ... they just say, so what, what have we got to lose?6

I don’t think that anybody looks to the future to tell you the truth. You just take things as they come. From day to day really, instead of looking to next week.7

I think that people only live for the moment. It’s a big rat race out there and you have to live it one day at a time.8

You don’t have peace of mind because when you go to sleep at night you don’t know if you’re going to have enough money to feed the kids or pay the next bill that’s coming in.9

My daughter passed the 11+ and I would not send her to .......... I couldn’t afford it. Plus I’m a single parent and there’d be the stigma and pressure because I couldn’t afford the things they require.10

It puts your head away, just running about. Wakening up every night—you know what’s going to happen the next day. Nothing exciting will happen the next day. You’re just living to stand on the corner, come up here [to the centre], and down to the corner at night.11

While poverty, and the limits imposed by inadequate income, are a thread running through these comments, there is also isolation, a sense of powerlessness and even the stigma or discrimination to which the excluded may be subject. Thus social exclusion can be a broader concern than poverty.

Indeed social exclusion may not necessarily even be poverty-based—as in the case of some ethnic minority or gay communities. Nonetheless, poor households are likely to endure many forms of exclusion.

There is, of course, a diversity of experience of exclusion, depending on social perceptions of the excluded group and the attitude of the state. The EU observatory noted that there can be “a hierarchy of moral credibility, designating particular groups as deserving or undeserving”. In the United Kingdom, images of single parents, the young unemployed and homeless people have been relayed through much of the popular media as the ‘undeserving poor’. Other categories, such as the elderly, are regarded as somewhat more worthy. Others, however, like people with disabilities, may not be recognised at all. What is achievable, in terms of realistic demands for reform, may well depend on a group’s position on the continuum of exclusion.

The impact of the social exclusion process becomes particularly acute when the local community confirms and supports
state disapproval. Young people who are regarded as socially disruptive are often caught in this situation. By contrast, politically motivated prisoners in Northern Ireland, who may be regarded with reservation by the state, may be fully accepted within their own communities.

Spatially disadvantaged communities concentrate exclusion, with mutually-reinforcing multiple deprivations—poor housing, poor education, poor employment opportunities and poor services—characteristic of many inner urban areas and peripheral estates. In contrast, poor households in rural areas are less likely to be concentrated, and social exclusion may well be hidden down lanes and in villages.

The positive aspect of living in a disadvantaged urban estate was summed up by one interviewee in a community in Catholic west Belfast:

I think the only thing good about living in X are the people who actually live in X, your neighbours … If you have no money, there’s always someone who will lend you some money, if you’re in trouble it’s always your neighbours who will help you.12

A sentiment that was echoed in Protestant west Belfast:

“If one person is in trouble everyone rallies round to help—it depends what it is, but there’s still a good community spirit here.”13

The telling statement in the last remark may be ‘it depends what it is’: community solidarity is governed by norms, and there is always the potential for groups or families to transgress them. Even locally-based community action can exclude, say, stereotyped people in blocks of flats within estates. Indeed the voices of the most marginalised or unassertive within disadvantaged communities may remain unheard.14 At stake is, first of all, confidence and, second, acceptance.

This problem may be even more acute in rural areas where marginalised individuals and groups hold a more ambiguous position. On the one hand, they may lack the solace of numbers and potential support of an urban setting, while on the other they may be consigned to a set position in a communal but socially inflexible context. Thus to achieve the active participation of socially excluded groups in a rural community may be even more difficult.

This was perhaps recognised in the recent reflections of an activist in the women’s movement in rural Co Down:

Motivation is low … difficult to attract women in … low expectations of women in the area … resignation regarding life’s opportunities … feeling excluded I felt out and cut off.15

Evidence has shown, that given the necessary investment of time, resources, imagination and encouragement, excluded groups can be won to confidence and activism. But it can be a slow process, demanding of resources.

A final feature of the diversity of social exclusion is that, however reluctant communities may be to acknowledge the needs of ‘their’ marginalised groups, there
is always the danger they will mobilise against excluded groupings viewed as outsiders: religious or racial minorities, travellers, or indeed homeless young people and single parents from outside the area, unconnected with its established families. The ability of deprived communities to exclude others has never been in doubt.

A further advantage of the concept of social exclusion is that it draws attention to a process as well as a fact:

Social exclusion is a much more dynamic concept of the processes of social change than ‘poverty’. Social exclusion draws attention to its underlying causes as much to its manifestations. Social exclusion refers to the structures and processes which exclude persons and groups from their full participation in society. It explains that poverty does not just happen: it flows directly from the economic policies and choices which society makes about how resources are used and who has access to them ... The notion of social exclusion has a strong policy focus: it is often the result of the ineffectiveness of policies, of the perverse effect of policies, and of the distorting outcomes of decisions.16

The EU observatory also cast an analytical eye over the thematic aspects of social exclusion. Again, a list of considerations can be summarised as:

- income, taxation and social protection;
- consumption and indebtedness;
- educational attainment;
- employment, unemployment and training;
- working conditions;
- housing and homelessness;
- health; and
- availability of social services and neighbourhood support.

In the context of all these themes, the observatory report posed the following questions:

- What standard does each government/society set in combating social exclusion?
- What social rights does the citizen have to employment, health, housing and so on—and how well defined are these rights?
- How far, and why, are these rights restricted to certain groups of the population?

An additional query could be added:

- What mechanisms and process are in place to allow individuals and/or groups to exercise their social rights?17

EU concepts, such as social rights and solidarity, seem far removed from recent British government policies, which Eithne McLaughlin has termed ‘the politics of contempt’. Between 1978 and 1990, families in the bottom tenth income group in the UK saw a 14 per cent fall in real income, after housing costs; 40 per cent of households in this group were couples with children, and 9 per cent were lone parents. The two main reasons cited by Dr McLaughlin for this shift were increases in VAT and curbs—in value and access—on social security benefits.18

She placed social exclusion within the structural dimensions of multiple deprivation, as indicated by the diagrammatic representation overleaf:

This diagram can be summed up by an
unemployed man from inner south Belfast:

It’s day by day—till you die. You just go out and try and get something everyday—different jobs, some kind of money, or scheme, or whatever. You see your father and brother not getting any work and you know something is wrong. Then you go out and you can’t get it and you think of your children coming behind you—what’s going to happen to them? It’s just going to be the same.¹⁹

In seeking to address this within the confines of current British government philosophy and policies, there is a distinct danger of a further feminisation of poverty and unemployment—a redistribution amongst the most disadvantaged. Monica McWilliams has noted the disincentive effect of the social security regulations against the wives of unemployed men taking up employment,²⁰ while the lack of affordable childcare in Northern Ireland provides a barrier to women with young children undertaking education, training or employment.

Understanding the course and impact of social exclusion in Northern Ireland entails recognising the diversity of its experience, for different groups of people in different circumstances. Not only does this underline the need to be sensitive to the multiple layers of marginalisation; it is essential if concrete excluded groups are to acquire an authentic voice. It is only when individuals and groups develop their own issues and views that the basis of critical perception and collective action is established.

The other crucial aspect, however, is
the interaction between what can be effectively achieved in combating marginalisation at community level, and what must be demanded of regional and state policies. As to the latter, the strictures of J K Galbraith may be worth repeating:

There are many in the culture of contentment whose income is secure and who do not find recession or poor economic performance particularly uncomfortable. To this position the good economic society can make no concession. The discomfort and social disarray from unemployment and economic deprivation must always be in mind, as, also, the measures for their mitigation. The good society does not allow some of its people to feel useless, superfluous and deprived.21

Unless there is a shared concept of the ‘good society’, it is difficult to see how any strategy of social inclusion can be feasible. Instead, efforts may be restricted to alleviating the worst effects of social exclusion — while its causes remain in play.  

Footnotes

1 Brownlow Community Trust, Brownlow Lives, Craigavon, 1993
2 Cited in Combat Poverty Agency, Disability, Exclusion and Poverty, Dublin, 1993
4 European Social Policy: A Way Forward for the Union, European Commission (DGV), Brussels, 1994
5 Evason, Woods and Birrell, A Qualitative Study of Disadvantage in Belfast, NIVT, 1993
6 interview with two groups active in communities, in ibid
7 male unemployed group, Catholic west Belfast, ibid
8 women with children, Protestant west Belfast, ibid
9 interview with two groups active in communities, ibid
10 ibid
11 male unemployed, Catholic inner south Belfast, ibid
12 male unemployed, Catholic west Belfast, ibid
13 women with children, 25-45, Protestant west Belfast, cited in ibid
14 Richard Jay’s and Quintin Oliver’s chapters in this report demonstrate how ‘community action’ does not offer any simple panacea for social exclusion
17 ibid
18 ‘Unemployment: the politics of contempt?’, in E McLaughlin ed, Beyond the Statistics, Co-operation North, Belfast, 1993
19 unemployed man from Catholic inner south Belfast, in Evason et al, op cit
The sectarian divide is the most serious and palpable threat to social cohesive-ness in Northern Ireland, whereas in Britain there is much greater concern about economic inequality. While most observers would admit that economic issues play an important role in the conflict, attention focuses on their religious dimension: do Protestants/Catholics earn more? do they suffer higher unemployment? are they over/under-represented in the professions? and so on. Each community encompasses the spectrum of economic experience, from the long-term unemployed in the Shankill or Falls areas of Belfast to the rich entrepreneur on the ‘gold coast’ of north Down.

This section concentrates on inequality of income in Northern Ireland. It is well known that income inequality increased sharply in the United Kingdom during the 80s. What has happened in this region?

Answers can be found in the Family Expenditure Survey (FES), which covers some 600 households every year. Respondents tend, however, to underestimate their income; declared expenditure in fact provides a more reliable guide to it and is used in the following tables.¹

One way of assessing whether the poor have got poorer, or the rich richer, is to rank each person in such a survey by their income each year and then to watch the behaviour of the ranked responses over time. Following the extremes—the poorest and richest respondents—would bring sharp fluctuations. A clearer pattern would follow observing respondents with 10 per cent of those surveyed below their income (the poor), those with 50 per cent above and below (middling), and those with 90 per cent below (the rich). These are known as the 10th, 50th and 90th percentiles.

Figure 1 charts the 10th, 50th and 90th percentiles of the FES sample for Northern Ireland and Britain. The most obvious point is that Northern Ireland is less well off: the 50th percentile (or median) weekly income in the region in 1990 was £177, compared to £201 in Britain. The difference for those on low incomes (the 10th percentile)—£87 in Northern Ireland against £98 in Britain—was smaller, as would be expected with common benefit rates. For the rich,
by contrast (the 90th percentile), a weekly income of £356 in Northern Ireland compared to £430 in Britain.

As to the pattern over time, Figure 1 also shows that the rich in Northern Ireland have indeed become richer, at a rate similar to their counterparts in Britain. Thus, in 1987-93, in Northern Ireland the rich increased their weekly income from £334 to £384—a £50 increase—while in Britain the corresponding rise was £410 to £445. On the other hand, the income of the region’s poor has changed only marginally, rising from £85 a week to £88—just £3—in the same period; comparative figures for Britain are £99 and £97 respectively.

A simple measure of inequality is the income of the 90th percentile divided by that of the 10th, as presented in Figure 2. In 1988 this ratio was 3.63 for Northern Ireland: the rich received over three and a half times the income of the poor. By 1993 this had increased to 4.34. This mirrored what was happening in Britain, where the ratio rose from 4.14 in 1987 to 4.72 in 1992.

A more sophisticated index of inequality, called the ‘mean logarithmic deviation’, is represented in Figure 3a. On the vertical scale, the higher the measure the greater the inequality. The index is actually usually slightly higher for Britain than Northern Ireland, indicating greater inequality there.

One advantage of this index, however, is that it can be broken down according to social groups. Decomposing it by housing tenure gives a rough-and-ready representation of the role of social class—given the relative tendency of middle-class respondents to be owner-occupiers and of working-class respondents to be renters.

Figures 3b and 3c show how much of the inequality set out in 3a can be explained
Figure 3: The decomposition of inequality by housing tenure

(a) Total

(b) Difference in means

(c) Owner Occupiers

(d) Renters
Figure 4: percentage of sample below 50% of mean GB income

by the inequality amongst owner-occupiers (3c) and that amongst renters (3d). What is left is contained in 3b: how much inequality there is between the two groups taken as a whole, when their mean (average) incomes are compared.

In 1989, the mean income of owner-occupiers in Northern Ireland was £261, compared with £140 for renters. The corresponding figures for Britain were £285 and £175 respectively—a smaller gap. Thus housing tenure makes a greater contribution to inequality in Northern Ireland, suggesting that class divisions are stronger in the region than in Britain.

Poverty and inequality are related but distinct concepts. The most straightforward way of measuring poverty is to take an income—the poverty line—considered the minimum required for an acceptable standard of life and to find the proportion of the population whose incomes fall below. But where should the line be drawn, given living standards rise over time?

One answer is to establish a relative poverty line, such as 50 per cent of mean UK income. In Britain this was £119 per week in 1986 and £128 in 1993. Other percentages could, of course, be chosen, but neither the extent of poverty in Northern Ireland, relative to Britain, nor its composition seem unduly sensitive to the precise level selected.

By this standard, Figure 4 shows that the poor comprise a greater proportion of the population in Northern Ireland. In 1992, 30 per cent of people in the region were on incomes below 50 per cent of the UK mean, compared with 21 per cent in Britain. While this is hardly surprising, given the difference in mean weekly incomes (£220 and £256 respectively in that year), it means almost a third of people in Northern Ireland are below the poverty line, compared with a fifth in Britain.

As to who is poor, the most common family type of those on low incomes in Northern Ireland is married with children, this group accounting for between 38 per cent (1989) and 50 per cent (1987) of poor households. As Figure 5 shows, this contrasts sharply with the British experience, where the proportion varied between a quarter and a third. The difference was made up by pensioners.

This can be seen more clearly when the poor are classified by economic status, as in Figure 6. The sample has been divided
into eight categories by progressively removing the self-employed and the full-time and part-time employed, the various combinations of which take up five categories. This leaves three groups, the over-60s, the unemployed and a residual group, ‘others’, which is made up principally of long-term unemployed. These three groups dominate those who are poor.

The over-60 category accounted generally for over one third of the poor in Britain, whereas in Northern Ireland the fraction varied between a fifth and a quarter. The position is reversed when we consider the unemployed. While unemployment in Northern Ireland achieved a minimum in 1990, its rate of 13 per cent was more than double that of the UK as a whole (5.8 per cent). Since then, the two areas have had disparate experiences; in the UK unemployment rose sharply to 10.3 per cent in 1993, whereas in Northern Ireland the increase in the same period was much more modest, to 13.9 per cent. Before 1990, the unemployment rate in Northern Ireland was 6-7 per cent above the UK average, so the greater proportion of families on low incomes classified as unemployed in the FES is not surprising.

Despite major differences in incomes, the extent of inequality in Northern Ireland is not radically different from Britain, though there is some evidence of a more entrenched class structure. Both have experienced widening inequality in the past decade, with the rich becoming richer more rapidly than the remainder of society.

By a UK standard, however, poverty is greater in Northern Ireland than in Britain. This is attributable to higher unemployment and lower aggregate income, rather than to greater inequality within the region.
Footnotes

1 While some on low incomes may borrow for a time to maintain higher expenditure, this clearly is not a viable strategy in the medium term. The years 1986-93 have been analysed, since the surveys for this period are the only ones so far released in a readily useable format.
2 Due to the smaller sample size, in Northern Ireland the graph is more erratic.
3 The mean logarithmic deviation is derived by taking the average of the logarithms of the mean income divided by each respondent’s income. If one simply summed the deviations above and below the mean, the results would cancel out. Averaging the logs of the deviations instead gives a number which is greater the greater the income distribution is skewed. First breaking down the sample into subgroups, in this case owners and renters, allows a mean logarithmic deviation to be calculated for each, and thus the contribution income skewing within each group makes to overall inequality to be determined. The difference between the overall mean logarithmic deviation and the sum of these two mean logarithmic deviations indicates the contribution made to inequality by the income difference between the two groups.
In July, the European Commission announced a special three-year support programme for peace and reconciliation in Northern Ireland and the border counties of Ireland. It amounts to 416 million ECUs (stg£351 million or IR£340 million) when matching funds are added to the 300 million ECU contribution from the European Union structural funds.

Thirty per cent of this new money is to be spent to assist social inclusion. But is there real agreement between the public authorities north and south as to what they mean by social exclusion and social inclusion? A schematic comparison of public policy reveals some paradoxical differences, as well as some similarities.

At first sight, the two administrations share a common dilemma: two previous policies have failed. The strategy of combating poverty and high unemployment by welfarising the labour market did not work. The second failure has been the incapacity of the social security and social insurance system to cope with the growing number and categories of economic and social outsiders.

Since the late 80s in the republic, the mechanism of centralised collective bargaining between employers, trade unions and the state has been legitimised as the principal vehicle for social change. This has been embodied in three successive social contracts: the Programme for National Recovery (PNR); the Programme for Economic and Social Progress (PESP), which contained an important chapter on area-based strategies to address long-term unemployment; and the Programme for Competitiveness and Work (PCW), which included proposals to enhance equality and equity.

The vehicle of centralised collective bargaining excluded large charitable organisations, the voluntary sector and organisations representing people experiencing structural disadvantage or discrimination. And in terms of social and welfare policy none of the programmes has gone further than short-term, incremental proposals. In partial response to this, in 1993 the then government established a National Economic and Social Forum, including the voluntary sector, whose first report
that year was, not surprisingly, a mild critique of the PESP agreement.  

The core role attributed to trade unions and employers may be contrasted with the emphasis in Northern Ireland on the voluntary sector contributing directly and in an unmediated way to public policy, through the Strategy of Support for the Voluntary Sector and Community Development, launched in 1993, and developments such as the Voluntary Activity Unit, established within the Department of Health and Social Services. The appearance of these, albeit institutionalised, changes has allowed thinking about the relationship between solidarity, justice, social exclusion and discrimination—as distinct from income-based poverty—partially to seep into public policy and policy formation.

Indeed, one of the major divergences in public policy, north and south, has been the development in Northern Ireland of research, consultation and participatory processes—defining, measuring and evaluating policies to meet social need and, perhaps implicitly, help reduce structural exclusion. This has facilitated sharper distinctions to emerge as to the relative roles of active community workers, the process of community development and other social policies.

Over the same period, the republic has seen the opening (and some closings) of a Commission on the Status of Women, a Commission on Persons with Disabilities, a Task Force on Travellers, an Education Convention and a Working Party on the interaction of tax and social welfare, as well as a substantial report on poverty and a strategic plan to combat it. These latter have, however, scarcely moved from the aspirational to the policy level.

In contrast, the critique of the policy of Targeting Social Need in Northern Ireland and technical research to define areas of deprivation have certainly contributed to a shift in thinking in economic policy. Defining its strategic objectives for 1995-6, the Department of Economic Development describes as one of them: “to target resources effectively on those people and areas in greatest need and to develop policies and programmes in line with the Policy Appraisal and Fair Treatment Initiative”.

The incorporation and integration of such a social and rights objective into economic policy can be viewed in the light of
the announcement by the minister for social welfare, in Dublin eight weeks later, of a National Anti-Poverty Strategy. The strategy includes: “recommending the type of institutional mechanisms to be put in place to ensure that the issue of reducing poverty and social exclusion is firmly on the agenda of all Government Departments and agencies and that there is appropriate co-ordination across and between Departments in this area”.11

The minister did not, however, adopt the proposals laid out by the Combat Poverty Agency in its submission to his predecessor in 1993: that promoting social rights should be declared a goal of policy, that those affected by poverty and social exclusion should be recognised as social partners, and that all departments and agencies should be required to make targeting social need one of their strategic goals.12

It is in the area of rights—social, political and civil—that one meets surprising north-south differences. In the republic, there is no formal prohibition on discrimination and unequal treatment, and legislation on equal treatment in pay and social security has enormous enforcement problems. The northern guidance document *Policy Appraisal and Fair Treatment*,13 which moves public policy from anti-discrimination to active promotion of fair treatment, has no equivalent south of the border. The government partners in Dublin are, however, pledged to anti-discrimination legislation through an Equal Status Bill, to improve the status of immigrants and refugees, as of persons with disabilities, and the civil rights of travelling people.

The large-scale consultations organised in Northern Ireland to respond to the European Union peace package and to the Department of Environment’s flagship urban regeneration programme, Making Belfast Work, revealed a deep-felt frustration that community groups would not be listened to in forming macro-economic and social policy, and anxiety that short-term expenditure plans would render social and economic developments unsustainable. The massive expansion of area-based partnership structures throughout the republic, reliant on EU funding and often operating outside local government and health board structures, would give grounds for similar worries for the future.14

North and south, poverty and social exclusion are approached with trepidation. Locked into economic models that relegate social exclusion and deprivation to residual outcomes of the market, policy nevertheless is grappling with the discourse and the costs of social exclusion, while hesitating as to the means to realise its reduction.

In this framework, one cannot be too surprised at the tendency to replace the concept of exclusion with the happier notion of inclusion. Social inclusion is a term which conjures up a familial sense of belonging—without the entitlements, rights and resources which might have to be devoted, realistically, to its achievement.
Footnotes

3 *New Thinking for New Times*, p27
5 Northern Ireland Council for Voluntary Action, *Partners or Adversaries: Agenda for Action*, Belfast, 1993
8 NICVA Public Affairs Project, *The Implementing of Targeting Social Need*, roneo, Belfast, 1994
11 Address by Proinsias de Rossa, minister for social welfare, July 18th 1995
13 Replacement to Circular No 1/90, which came into effect in Northern Ireland in January 1994
The objective of the benefits system, according to the Department of Social Security, is “to provide a fair and efficient system of help for beneficiaries and other customers”—the unemployed and less well-off families, including families of people in work. The department’s strategic priorities are to: focus benefits on those most in need; maximise incentives to work; and ensure the system adapts to differing needs, rather than making people adapt to an overly complex system.

While many would share these objectives, there is widespread concern that the system falls short of meeting them. In particular, it creates various disincentives to work:-

• The unemployment trap: For the unemployed, net income in work can sometimes be little more, or even less, than the income out of work. This is measured by the ‘replacement rate’—the ratio of income out of work to income in work.

• The poverty trap: For those in low-paid work, particularly those with a family, increased hours may leave them only a little better off because of increased taxes and lost income-related benefits. This is measured by the ‘withdrawal rate’: the proportion of any increase in income which is lost in income tax, National Insurance contributions and/or reduced benefit payments.

• Entry/exit from the benefits system: Many of the jobs likely to be taken by those on benefit are low-paid and temporary, so it is important that individuals who leave the system should be able to requalify quickly. There appear to be delays and uncertainties, however, which further discourage people from taking work.

• Means-tested benefits: Based on family income, these discourage partners of the low-waged or unemployed from staying in or taking up employment.

These difficulties not only create disincentives to work; they can also cause substantial hardship and suffering, frequently for the most vulnerable in society.

The British government has moved to reform the benefits system, so as to enhance work incentives. Changes introduced in 1988 substantially reduced the incidence of replacement rates above 100 per cent,
Table 1: recipients of certain benefits, NI and UK (1992-93)

<table>
<thead>
<tr>
<th>Benefit Type</th>
<th>NI</th>
<th>UK</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income Support</td>
<td>204,940</td>
<td>5,675,000</td>
</tr>
<tr>
<td>As % of population over 18</td>
<td>17.9</td>
<td>12.7</td>
</tr>
<tr>
<td>Unemployment Benefit</td>
<td>16,695</td>
<td>701,000</td>
</tr>
<tr>
<td>As % of population over 18</td>
<td>1.5</td>
<td>1.6</td>
</tr>
<tr>
<td>Family Credit</td>
<td>15,398</td>
<td>447,000</td>
</tr>
<tr>
<td>As % of all families</td>
<td>3.8</td>
<td>2.8</td>
</tr>
<tr>
<td>Child Benefit</td>
<td>221,556</td>
<td>6,897,000</td>
</tr>
<tr>
<td>As % of all families</td>
<td>54.2</td>
<td>43.1</td>
</tr>
<tr>
<td>One-parent Benefit</td>
<td>28,862</td>
<td>873,000</td>
</tr>
<tr>
<td>As % of All Families</td>
<td>7.1</td>
<td>5.5</td>
</tr>
<tr>
<td>Housing Benefit</td>
<td>160,400</td>
<td>4,327,000</td>
</tr>
<tr>
<td>As % of all households</td>
<td>30.2</td>
<td>19.3</td>
</tr>
<tr>
<td>Total benefit expenditure (£m)</td>
<td>1,748</td>
<td>57,784</td>
</tr>
<tr>
<td>Total expenditure per head (£)</td>
<td>1,085.71</td>
<td>996.31</td>
</tr>
</tbody>
</table>

Sources: various government publications

while some attempt has been made to reduce the period for requalification for benefit. On the other hand, the move towards more means-tested benefits has arguably increased the importance of some work disincentives.

Recent reports by the Commission on Social Justice,1 the Joseph Rowntree Foundation2 and the Social Security Advisory Committee make the case for further reforms to ease the transition from welfare to work. For example:

- claimants should be allowed to earn more without benefits being withdrawn;
- ‘passported’ benefits, such as free school meals, exemption from health charges and so on, should continue for some time after employment is gained;
- there should be a more gradual withdrawal of benefits once a job is taken up;
- disregards for second earners would help alleviate the traps facing partners (typically women) of the low-waged and unemployed; and
- more flexible and comprehensive childcare allowances, encompassing informal childcare arrangements, would help parents (especially single parents) take up employment.

These and associated reforms to the benefits system are not, of course, a panacea for unemployment. To be effective, there must be work to match the skills of those who are unemployed.3

Northern Ireland is much more reliant on the benefits system than the UK as a whole: close to one in five families are on

Table 2: sources of household income by quartiles of gross weekly income, NI and UK (1993)

<table>
<thead>
<tr>
<th>Source of Income</th>
<th>Northern Ireland</th>
<th>UK</th>
</tr>
</thead>
<tbody>
<tr>
<td>As % of av gross weekly h’hold income</td>
<td>Lowest 25%</td>
<td>2nd 25%</td>
</tr>
<tr>
<td>Wages and salaries</td>
<td>1 23 60 80</td>
<td>64</td>
</tr>
<tr>
<td>Self-employment</td>
<td>1 9 7</td>
<td>8</td>
</tr>
<tr>
<td>Investments</td>
<td>2 4 3</td>
<td>4</td>
</tr>
<tr>
<td>Annuities/pension (exc SS)</td>
<td>3 9 5</td>
<td>3</td>
</tr>
<tr>
<td>Social security benefit</td>
<td>89 53 18</td>
<td>6</td>
</tr>
<tr>
<td>Other</td>
<td>3 2 1</td>
<td>1</td>
</tr>
<tr>
<td>Av gross wkly income (£)</td>
<td>76.21 162.31 315.18</td>
<td>657.21</td>
</tr>
</tbody>
</table>

Source: Policy, Planning and Research Unit
income support and one in three on housing benefit; the figures for the UK are one in ten and one in five (Table 1). Social security benefits account for 20 per cent of average gross weekly household income in the region, compared to 14 per cent for the UK overall (Table 2). For the poorest quarter of Northern Ireland households, this benefits dependency rises to 89 per cent.

Such reliance on benefits—particularly means-tested benefits—goes hand in hand with features of the regional economy which exacerbate the disincentives inherent in the current benefits system.

Long-term unemployment in Northern Ireland is twice the UK rate. As duration of unemployment increases, the probability of finding a job decreases and the chances of escaping from the unemployment trap also decline. The worker becomes discouraged, skills depreciate and work habits may deteriorate, while employers are more willing to hire recent entrants to the workforce and those already employed.

Over time, the pay an unemployed person might expect to receive will decline, while work in the black economy becomes attractive. Meanwhile, s/he moves from unemployment benefit to means-tested benefits. The effective replacement rate rises, as the withdrawal of benefits consequent upon employment may be compounded by a loss of black economy earnings.

The incidence of poverty and unemployment traps is also likely to be greater in Northern Ireland, because of lower regional earnings at the bottom end of the wage distribution. In 1993, gross weekly earnings for the lowest paid 10 per cent of men in Northern Ireland were 84 per cent of their counterparts’ in Britain (Table 3). If it is assumed some within this cohort were single with no dependants, then the replacement rate in Northern Ireland was 60 per cent, compared to 53 per cent in Britain.

In the recent past, before UK-wide policies have been introduced, there have been local pilot or trial schemes to test their effectiveness. For the first time, this is being considered with respect to benefits, but the selection of locations is restricted to Britain.

There are, however, good reasons for piloting reforms to the system in Northern Ireland. (This is not in order to depress benefit levels regionally, as some have

| Table 3: gross weekly earnings, various groups, by sex, NI and GB (1993)          |
|-------------------------------|---------|---------|
| NI                           | GB      |         |
| Male                         | 147.1   | 174.7   |
| Female                       | 118.0   | 134.0   |
| % males earning less than:   |         |         |
| £160pw                       | 13.9    | 6.9     |
| £130pw                       | 5.4     | 2.3     |
| £110pw                       | 2.1     | 0.9     |
| % females earning less than: |         |         |
| £160pw                       | 31.2    | 20.9    |
| £130pw                       | 15.9    | 8.5     |
| £110pw                       | 6.8     | 3.2     |

*Source: Department of Economic Development*
argued; benefits UK-wide are already at subsistence level and have been depressed relative to rising earnings through price indexation.)

Firstly, the benefits system, combined with regional economic conditions—such as higher long-term unemployment, lower earnings and larger families—results in greater work disincentives than in the UK as a whole; thus, the effects of any pilot would be more visible.

Secondly, to the extent that such reforms assisted in addressing long-term unemployment, they would help, in combination with other policies, to remove Catholic/Protestant unemployment differentials and thus be consistent with the government’s Policy Appraisal and Fair Treatment (PAFT) guidelines.

Thirdly, the prospect of peace and a durable political settlement holds out also the prospect of job generation. But to the extent that this employment is concentrated in industries such as tourism—where many jobs are low-paid and temporary—the work disincentives created by the benefits system are likely to be particularly prevalent. So reform, albeit on a pilot basis, would assist in realising the fruits of peace.

Fourthly, the location of Northern Ireland ensures a relatively closed labour market. And, finally, recent developments in statistical and benefit information systems in the region mean a pilot could be carefully monitored.

Thus, there is a strong case for a pilot scheme(s), containing some of the reforms outlined above—designed to ease the transition from benefits to work—in Northern Ireland. While this would not solve the deep-seated problems of the region’s labour market, it would be likely—if successful—to generate a valuable policy improvement.

Footnotes

1 See note 6 in the introduction.
2 *Joseph Rowntree Foundation Inquiry into Income and Wealth* (2 vols), available from BEBC Distribution, PO Box 1496, Parkstone, Poole, Dorset BH12 3LL (£15 together)
3 See the chapter by Maura Sheehan and Mike Tomlinson in this report.
Taxation: the cost of inclusion

Frank Gaffikin
Michael Morrissey

Twenty-one of the 50 most deprived wards in Northern Ireland are in Belfast. Sixteen are in north and west Belfast alone. Some district council areas, like North Down, have none. Indeed, the most deprived ward in North Down (Conlig) is ranked 219th in the region as a whole.¹

As Vani Borooah has demonstrated, a disproportionate share of income in Northern Ireland is held by its ‘work-rich’ households, exacerbating the poverty of the ‘work-poor’. Inequality, particularly spatial inequality, is a dominant characteristic of the region.

This degree of inequality has profound implications for regeneration programmes. Building a new social and political order will be severely inhibited by such divisions, particularly since those areas of greatest affluence have been least touched by two and a half decades of political conflict. Does a ‘new Northern Ireland’ need greater internal redistribution as well as external investment?

Work-rich households have three advantages over the work-poor. Obviously, a high proportion of household members are in employment—frequently full-time, relatively well-paid employment. Secondly, a high proportion are in public sector employment and enjoy wage levels determined UK-wide (admittedly, the growth of decentralised wage bargaining is reducing this), while cost-of-living estimates, for example by Reward Regional Surveys, suggest Northern Ireland is one of the cheapest regions to inhabit.

Finally, and relatedly, house prices are significantly lower than in other regions, suggesting outstanding mortgages are also lower. Since housing costs are generally the largest item in household expenditure, this last factor is said to augment disposable household income. It has also been suggested that this ‘surplus’ of household income is spent on leisure services and imported consumption goods, neither of which contributes to the region’s economic growth.

In assessing the scope for redistribution within Northern Ireland, however, the absolute—rather than relative—income held by individuals is most important, as it
indicates the potential sums available. Yet, only 29.8 per cent of Northern Ireland households had weekly incomes greater than £375 in 1993. This was the lowest proportion for any UK region other than the North of England and compared with a UK average of 36.5 per cent.

Northern Ireland contains not only high proportions of households with low weekly incomes (28.7 per cent below £125), but also low proportions with high weekly incomes. In terms of individuals, only 3.7 per cent had incomes greater than £30,000 per year, compared to 6.4 per cent in England and 5 per cent in Scotland. Moreover, about 7.5 per cent of total income tax in the UK is raised within the 40 per cent band. Only 5 per cent of Northern Ireland’s total is similarly raised. Nevertheless, the income tax data point to one anomaly: the average amount paid by individuals in the 40 per cent band in Northern Ireland is disproportionately high—almost £3,000 per year compared with just £2,000 in the North of England.

Is this a basis for substantial redistribution through shifting income tax bands? There are 22,000 individuals in Northern Ireland paying tax in excess of the basic rate, which raised £60 million in 1992-93. If a special regional tax supplement increased the higher tax rate by half, to 60 per cent, the gain would be in the region of £30 million.

This is hardly a princely sum. Indeed, if it were distributed among the region’s poor, it would merely give each poor household an additional £6 a week!

The argument that low housing costs increase disposable income is also less convincing than at first sight. True, in 1993, Northern Ireland households spent 9.4 per cent of income on housing, compared with a UK average of 16.2 per cent. Again, however, to gauge the scope for redistribution, percentages have to be replaced by amounts. Also, the focus has to be on the owner-occupied sector, where the relative advantage of Northern Ireland lies, and here the relevant group is in the process of purchase rather than owning outright.

The average weekly mortgage repayment for this group in Northern Ireland was £26.72, much less than the UK average (£42.96), but only marginally less than the North of England (£30.66) or Yorkshire-Humberside (£31.16). If the difference between the Northern Ireland mortgage payment and that of the lowest British region were somehow made available for redistribution (say through the abolition of mortgage tax relief), the sum involved would amount to just over £40 million per year.

Thus, even if a tax premium was levied on those paying greater than basic-rate income tax in Northern Ireland, and the relative mortgage-payment advantage was reduced to that of the next lowest region, only about £70 million per year would be liberated for redistribution—adding no more than £15 per week to the incomes of the poorest households.
Such resources are marginal indeed, compared to the subsidy between regions enjoyed by Northern Ireland—the subvention by the British Exchequer, now running at over £3 billion per year. Given the small sums the exercise outlined above would generate through redistribution within the region, it is questionable whether the gain would justify the effort. Moreover, it would undoubtedly be regarded as politically draconian, provoking substantial unrest from those expected to pay an income tax and a mortgage premium.

Yet, even if the numbers are small, some mechanism of this kind remains worth exploring. This for three reasons.

Firstly, the process of debating the concept of internal redistribution would place the political spotlight on the extreme spatial inequalities in Northern Ireland. Secondly, it would point to the universal responsibility for tackling social exclusion—particularly upon those who have experienced neither poverty nor the conflict. And, thirdly, it would emphasise that compensatory programmes, like Making Belfast Work, are not sufficient to address social exclusion: a comprehensive, integrated effort is required.

Footnotes

1 B Robson, M Bradford and I Deas, *Relative deprivation in Northern Ireland*, Policy Planning and Research Unit, Belfast, 1994. The ranking measure was ‘degree’ of deprivation.


3 ibid, Table 8.4

4 ibid, Table 8.5

Unemployment: a long-term problem

Maura Sheehan
Mike Tomlinson

Commentators of all shades are agreed that economic regeneration and employment growth in Northern Ireland represent a daunting task, even in the light of the 1994 ceasefires.

The economy continues to be beleaguered by deep-seated structural problems, of which high unemployment—especially long-term unemployment—is the most cogent indicator. The significance the government appears to give to long-term unemployment, especially in terms of political and social stability, was highlighted at the International Investment Forum in Belfast in December 1994, when the prime minister announced that the Department of Economic Development (DED) would oversee a new Community Work Programme (CWP).

Northern Ireland’s unemployment rate is persistently above the average for the 15 European Union member states, surpassed only by Spain, Finland and the Republic of Ireland. Within the United Kingdom, no region has higher unemployment: it stood at 11.7 per cent in May 1995, compared with the UK average of 8.3 per cent.¹

In January 1995, 56.5 per cent of the unemployed in Northern Ireland had been out of work and claiming benefits for more than a year—only the Greater London region comes close to this (at 42 per cent) and on average across the UK 38 per cent of the unemployed are long-term.² Moreover, 18 per cent of the unemployed in Northern Ireland have been unemployed for over five years, compared with 4.4 per cent for the UK as a whole.³

Nor is this heavy burden evenly distributed. Catholic males remain more than twice as likely to be unemployed as their Protestant counterparts.⁴ Indeed, 60 per cent of the long-term unemployed are Catholic men.⁵ A recent survey of Catholic and Protestant women’s labour market opportunities found that “the disadvantages faced by Catholic women are deeper than those faced by Protestant women, in so far as smaller proportions of Catholic women are in the labour market and, when they are there, they are more likely to be unemployed”.⁶

Reflecting trends found in most other
industrialised countries, in Northern Ireland higher educational qualifications are associated with lower probabilities of being long-term unemployed, about 65 per cent of whom have no formal qualifications. The fact that Northern Ireland is the UK region with the highest proportion of individuals who leave school without any formal qualifications has important implications for long-term unemployment.

Geographically, unemployment varies from 8.1 per cent in the Ballymena travel-to-work area to 18.2 per cent in Strabane. And closer scrutiny, by ward, reveals variation from 4.1 per cent in Hillsborough, north Down, to almost 50 per cent in the west Belfast wards of Falls and Whiterock.

Worse still, a narrow focus on official unemployment data excludes the large number of people who have given up the search for employment. Yet the rise in ‘economic inactivity’ in Northern Ireland over the past two decades has been even greater than the rise in unemployment. While male unemployment increased in 1971-91 by 6.1 percentage points (from 9.8 to 16.1 per cent), economic inactivity increased by 11.2 points over the same period (from 5.4 to 16.6 per cent). Adding the unemployed and economically inactive reveals that in 1991 almost one-third (32.8 per cent) of males in Northern Ireland were non-employed—more than twice the rate of 15.1 per cent in 1971.

Clearly, lack of employment is one of the most serious economic and social problems facing Northern Ireland, and the inequalities generated by the shortfall have important political implications.

At the start of the 80s, and again in the late 80s and early 90s, unemployment in the UK rose to levels unprecedented since the 30s. At the same time, there was a distinct shift in economic and labour market policies, with priority given to tackling inflation, trade union power, labour market rigidity and the size and role of the public sector. Unemployment became a marginalised policy issue in Britain, if less so in Northern Ireland.

This was not because there was little unemployment, but because unemployment had been “redefined as a residual and individualised problem, for which the enterprising free-market Thatcher administration had no direct responsibility. There was, then, no crisis.”7 The shift in the burden of responsibility, from government to individuals, resulted in high unemployment becoming politically tolerable, notwithstanding widespread concern about social disturbances and growing evidence of the link between unemployment, ill-health and crime.

Consistent with this approach towards the economy as a whole, the ‘supply side’ of the labour market has been the focus of government policies. Programmes have focused on the skills of unemployed individuals and how to motivate them. In the early 80s, there was a vigorous agenda blaming unemployment on high benefits, lack of labour discipline and growth of the black economy.8 It was, and still is, frequently
asserted that long-term unemployment especially was largely due to the characteristics, attitudes and behaviour of the unemployed.

In particular, it was argued that the unemployed lack skills (‘human capital shortfall’); live in the wrong place and are unwilling to travel (‘low mobility’, combined with the ‘chill factor’ in Northern Ireland); have priced themselves out of jobs and refuse to work unsocial hours (‘inflexibility’); or do not try hard enough to find work (‘low search intensity’). The crux of the problem was not the demand for labour but the quality of its supply.

By the end of the decade, benefit entitlements, particularly for the young unemployed, had been reduced in value and accessibility. And the unemployed were being scrutinised more heavily in terms of fraud, willingness to work and job searches.9

Alongside this withdrawal of the ‘right to be unemployed’, a range of measures was developed which some cynically dismissed as an attempt to disguise unemployment.10

By the 90s, this second component of government policy could be more readily identified with training and retraining programmes.

With the growing influence of EU social policies, training and employment policies are now subject to considerable debate over targets, outcomes, delivery and impact on equal opportunities. It has been argued in that context that policies and provision have lagged behind need.11 In particular, the proportion of unskilled and low-skilled workers receiving training is the lowest of all groups.12

In Northern Ireland, there are approximately 29,150 individuals on employment and training programmes. The main schemes are: the Youth Training Programme (YTP), 38.8 per cent; Action for Community Employment (ACE), 31.6 per cent; Job Training Programme (JTP), 12.9 per cent; Jobskills, 8.9 per cent; adults in Enterprise Ulster, 5.3 per cent.13 Little is known about their impact on employability. In 1993-94, 36 per cent of ACE participants moved into employment, full-time training or education within three months of leaving.14 How many moved into ‘real’ employment and the nature of that (eg full-or part-time) remains obscure. And, looked at the other way around, two-thirds of ACE participants return to unemployment.

It is not surprising that the success of the government’s two main labour-market policies has been limited and unemployment remains high: these policies have been largely separated from the broader economic and social environment—in particular, from the demand side of the economy. ‘Motivational’ and training policies need to be accompanied by a sustained attempt to address the fundamental weaknesses in the British economy, such as low investment and the archaic framework in which the financial institutions operate.15

In other words, policies to widen access to training and education also require policies to ensure demand for the skills created.
Policies to stimulate aggregate demand (including exchange-rate policies) can essentially only be implemented at the level of the UK economy, or indeed higher. This might suggest the scope for policy innovation in Northern Ireland was negligible.

But political stability, arising from the ‘peace process’, would increase opportunities and incentives for greater economic cooperation between north and south. Part of the developing agenda includes harmonisation of industrial development policies, education and training provision, and other labour-market approaches. Increased cooperation can stimulate policy development which departs from a UK-wide and UK-driven framework.

In addition, while estimates vary, it is generally recognised that increased cooperation has the potential to create several thousand new jobs. In the absence of broader political development, however, the constraints imposed by Northern Ireland’s regional status will remain.

The Community Work Programme, unique to Northern Ireland, will initially provide places for 1,000 long-term unemployed in three blackspots: Strabane, Fermanagh and the largest, west Belfast. The CWP is a significant new policy, which if successful may be extended to 20,000 places. None of the existing employment and training measures provides placements of three years duration, nor a range of benefit premia (up to a theoretical maximum of £55) differentiated by skill level.

Placement on the CWP is available to claimants who have been unemployed for more than a year; those aged 18-24 must also have a high-level academic or a recognised vocational qualification, or have completed a number of training schemes.

While the programme appears innovative, it has some obvious deficiencies. It will benefit primarily males classified as ‘unemployed’, excluding the large number of economically inactive and unregistered unemployed women. And the payment structure favours the most mobile and employable, such as the single or childless couples or those with managerial skills. Thus it is questionable whether it will adequately target those who have the highest probability of being long-term non-employed.

Moreover, long-term unemployment is the result of two flows—those becoming long-term unemployed and those leaving the unemployment count. The CWP will only increase the numbers coming off the count, since an individual must already be long-term unemployed to qualify. In other words, it will ‘reshuffle’ the unemployed, as those who go on the scheme and come off will then be classified as ‘short-term’ unemployed.

To reduce the numbers coming on to the count would mean increasing the overall number of jobs in the economy. But significant stimulation of employment growth would require macro-economic intervention, especially on the demand side, the scope of which, as indicated above, is highly limited at the regional level.

Thus, although the CWP will have a
significant impact, in the short-run, on the number of individuals defined as long-term unemployed, it is simply not big enough to tackle the overall unemployment problem. Since Catholic males are more likely to be long-term unemployed than their Protestant counterparts, it will reduce the politically sensitive unemployment differential. In the absence of other policies, however, this is likely to be short-run.

Despite the constraints at regional level, there are policies which could be implemented to reduce long-term unemployment and generate a more equitable distribution of resources. These include:

- increasing economic and social co-operation with the republic, given its job creation potential—but a coherent island-based strategy to reduce long-term unemployment would have to be built in, to ensure the long-term unemployed benefited;
- equality-proofing industrial development and training policies, to ensure employment is more fairly shared by gender, religion and disability;
- setting reducing targets for the number leaving school with no formal qualifications;
- attaching a formal qualification to the CWP;
- encouraging firms, especially new inward investment projects, to hire a certain percentage of the workforce from the long-term unemployed, by rendering employment and training grants so conditional—local labour clauses in government contracts could be used to the same effect; and
- while the Industrial Development Board’s recent target that three-quarters of new inward investment projects should be located in, or adjacent to, areas of greatest need can potentially reduce long-term unemployment in disadvantaged areas, a more precise target would be assisted employment in disadvantaged areas.

A final problem is that there is little understanding of the attitudes, behaviour and needs of the long-term unemployed or how they view special training and employment measures, such as the CWP. Moreover, there is little understanding of employers’ attitudes towards hiring the long-term unemployed, following their participation in employment and training schemes.

It is therefore timely that, as part of its review of fair employment legislation, the Standing Advisory Commission on Human Rights has commissioned several research projects that will begin to examine these issues (including one by the authors into long-term unemployment and the role of the CWP in west Belfast). It is hoped the findings from these studies will provide policymakers, community groups and employers with information and insights to enable more effective strategies and programmes to reduce long-term unemployment to be implemented in Northern Ireland.

Footnotes

1 Official government statistics on unemployment are based on the ‘claimant count’, which includes only individuals who are available and actively
looking for work. All unemployment rates quoted are based on seasonally adjusted figures.


9 Such measures will be further developed in the near future with the (delayed) implementation of the Job Seeker’s Allowance from 7 October 1996. Furthermore, the introduction of Incapacity Benefit (which is more restrictive than Invalidity Benefit) is predicted to increase the claimant count by as much as one quarter over the next few years, adding to the volume of sickness and disability amongst unemployed claimants.


12 E McLaughlin, *op cit*

13 *op cit*


A child who passes the ‘11+’ transfer tests in Northern Ireland is statistically likely to go to a grammar school, stay there until they are 18, leave with at least two A-level passes, go to university, graduate three or four years later, obtain a professional occupation and quickly earn an above-average income.

This is the ‘high road’ through the education system and, because the experience of the young people who follow it is so common, it is hardly surprising that so many parents strive to get their children on to this track. Nor is it surprising that, with open enrolment to schools, the proportion entering grammar schools has jumped in recent years.

Despite the fact that the 11+ demonstrably lacks any educational, economic, social or moral justification, debates on the system tend to avoid these broader issues in favour of a narrow defence of the grammar schools. To scrap selection, it is argued, would put at risk the unparalleled success of Northern Ireland’s long-established grammars.
The statistics of grammar success appear clear-cut: in 1993-94 more than 90 percent of 16-year-olds in grammars obtained five or more GCSE passes; more than 90 percent of 18-year-olds passed two or more A-levels; almost two-thirds of grammar school leavers went to university and only one in ten dropped out of the education system.

But this discourse of grammar success conveniently ignores the fact that most young people fail, or choose not to enter, the 11+ tests, and go to secondary schools. In contrast to the grammars, the outcomes for secondary pupils are startlingly variable. In 1993-94 more than 30 secondaries had pupils who passed two or more A-levels and went to university. But in almost as many schools most 16-year-olds failed to achieve grade C in even one GCSE, while in an additional 81 between a quarter and a half of 16-year-olds failed to achieve this level.

The variability among secondary schools is found in their circumstances as well as their outputs. Too many young people experience schools struggling to cope with the multitude of problems associated with social disadvantage, falling rolls and hence declining budgets, low staff and pupil morale, and general low achievement.

Those with the lowest qualifications are likely to leave the education system at the first opportunity and go into youth training, rather than employment. Even here there is a range of experience, with the least qualified young people entering schemes where the employment outcomes are lowest.

Indeed, it is amongst these young people that deficiencies in basic literacy and numeracy are often discovered. At a time when an increasing proportion of young people are going to university, another significant, but largely forgotten, minority are emerging from 12 years of compulsory schooling unable to read a simple text or perform a simple calculation.

These young people are the truly disadvantaged and dispossessed—their relative position worsened by the fact that, in aggregate terms, educational performance has never been higher. Excluded from the mainstream of society and denied any opportunity to compete in the labour market, they are likely to become economically, socially and geographically immobile—concentrated in areas serviced by declining and under-performing schools, and so with every prospect of passing on their disadvantage to the next generation.

It is because young people such as these are so easily forgotten that the 11+ system is so reprehensible. The discourse of success is so effective that sight is lost of how it leads to a practice of exclusion—exclusion, indeed, of the majority.

An inclusive citizenship will need to promote a wider discourse and practice of inclusion. It must begin by scrapping the selective system. But that is not all.

Currently, most is spent on those who stay in education the longest, and least on the youngest. This order of priority must
be reversed. Graduates obtain enhanced employment and earnings potential from their degrees, so it seems not unreasonable to ask them and their employers to contribute to the cost of their higher education.

Money saved should be concentrated on early-years education, with smaller class sizes and increased diagnostic testing. A new contract with children is needed, guaranteeing that no child will leave primary school unable to read and write.

Slowly, the morale of the teaching profession is being restored. This should continue and teachers should be permitted to play a more significant role in educational planning and development.

This is not to say teachers and schools should be unaccountable. Contrary to the claims of some teacher unions, school performance tables are not meaningless and are here to stay. Parents have a right to more information, not less. They have a right, also, to procedures which give a genuine choice of schools for their children.

The current system of ‘parental choice’ actually empowers popular schools by allowing them to select from amongst their applicants. Not surprisingly, in the UK generally this has widened inequalities between schools. In Northern Ireland it has exaggerated still further existing inequalities between grammars and secondaries.

Some of these changes would place equality as a core value in the education system. Were this to happen, all sorts of other issues pertinent to social inclusion would arise. For example, girls now generally out-perform boys in examinations; but what is the impact on their aspirations and expectations when they see that most of the teachers are women and most of the principals are men?

Or take the treatment of young people with disabilities. For some years, there has been an official rhetoric of integration for pupils with special educational needs. Unfortunately, this rhetoric has not been matched by resources, and nor have the procedures designed to achieve integration lived up to their promise.

The problem is not that these and related issues are ignored. Rather it is that they are not at the heart of educational debate, because the system implicitly values the priorities of élites.

George Walden, the Conservative MP and government critic, recently argued that the education system throughout the UK was a two-nation system with its roots in the last century. New times require a new system, based on inclusive goals and aspirations, its founding principles resting on the needs of the next century.
Partners in health

Dr Paula Kilbane

Whatever index is used to define disadvantage, there has always been a considerable gap in health and well-being between the wealthy and the poor. Far from narrowing, the health gap in the UK has widened in the last decade.

This disadvantage starts at birth, with lower birth-weight babies and higher infant mortality rates in lower socio-economic groups. Death rates in young adults are higher, and there is a strong association between mortality rates for cancers, heart disease, chronic chest disease and liver disease and lower social class.

Northern Ireland has a younger population—with more children and fewer elderly people—than the UK as a whole. In the last decade, that population has grown at a faster rate than in Britain.

It also has a shorter life expectancy. While infant mortality rates in Northern Ireland have fallen to the UK average, the death rate for men is 8 per cent higher and for women is 4 per cent higher.

The major contributors are chest and heart disease—where, alongside Scotland, Northern Ireland leads the western world. The potential years of life lost to preventable diseases or conditions reflect the major impact of road traffic accidents and smoking.

Against this background of poorer health in Northern Ireland, there is a clear relationship between death rates and social deprivation. Amongst under-75s, differences in deprivation between areas account for 60 per cent of the variation in deaths. Amongst the 30-65s, the deprived have a death rate twice that of the affluent.

Accidents, heart disease, stroke and lung cancer are the principal causes of death where the major differences occur. The deprived are three times as likely to die of lung cancer, whereas breast cancer and melanoma, a cancer of the skin, are more common in the more affluent. (Overall, life expectancy is diminished by 5.4 years for women and 6.6 years for men if they fall into the most, rather than the least, deprived category.)

Over time, moreover, the gap has been widening. Death rates have improved more in more affluent areas of Northern Ireland.
While measuring sickness is more difficult, long-term reported illness is more prevalent in the region than in England (though, again, it is similar to Scotland). As would be expected, rates are highest amongst the elderly, but there is once more an association with deprivation, which explains 10 per cent of the variation; long-term illness rates increase much earlier for those who are deprived.

Yet, together with Scotland, Northern Ireland enjoys higher per capita expenditure on health and social services than England and Wales. Some recent work suggests that the differential in Northern Ireland’s favour is in the region of 6 per cent.2

This, however, conceals underfunding for investment, in capital and social services, and does not make any allowance for the high regional costs of some services (such as energy), as well as the need to be largely self-sufficient and the effects of the ‘troubles’. And the gap between expenditure in Northern Ireland and that in England and Wales has been falling, due to the radical reduction in funding over the past five years. This has cumulatively reduced the budget in Northern Ireland by 11 per cent, whereas savings in England and Wales have been primarily effected through productivity gains.

Within the funding available to the region, over £1.3 billion, the vast bulk—42 per cent—is spent on acute hospital services; a further 6.5 per cent goes to maternity and child health services. Average spending on health promotion services is just 2 per cent.

This includes all screening, such as breast and cervical cytology, child and school health services, family planning and immunisation programmes. The proportion spent on direct health promotion is very small—perhaps £3-3.5 million for the region as a whole. That’s 0.3 per cent of health spending.

Government policy is to move care from acute hospitals to the community, but resources have not measurably shifted, except in services for the mentally ill and those with learning disability or mental handicap. Developing medical technology, expensive drug therapy and consumer expectation have fuelled the demand for hospital services.

Staff, the public and their representatives are also understandably reluctant to forgo existing local and more accessible hospitals for what they consider the untested advantages of care in the community, based at local facilities and provided by teams of primary care workers from all disciplines.

Under these circumstances, it will be difficult to do more than contain the costs of acute hospital services. Reforms such as trusts and GP fundholding have been delayed in Northern Ireland and it is thus too early to measure their effects.

Improving public health is a complex task, requiring a focus on the most disadvantaged. For this to be successful, responsible statutory agencies must operate at both macro- and micro-levels.
At the macro-level, they must develop partnerships with other bodies which may control environmental and economic factors—and funding.

At a micro-level, efforts must concentrate on developing true partnerships with individuals and communities, which recognise both the reality of the circumstances in which they live and their views about health and the priority which they accord to it.

This means major change for professional working: it requires much more listening to people as individuals—more discussion about options, about choices and consequences. It means recognising that professionals do not have a monopoly on wisdom—while they may have a scientific basis in fact. And it means realising that effective health promotion is heavily dependent on understanding of, and respect for, local social and cultural factors.

There are examples of effective community development work in health. The Whiterock Liaison Health Committee in Belfast and the Lay and Health Information Workers Projects have been successful. Women’s groups have taken the lead in the Shankill and Ballybeen in Belfast and in the Derry Well Woman Centre.

These initiatives are often underpinned by voluntary organisations, such as Save the Children and the Northern Ireland Voluntary Trust. The principle of success has been the empowerment of individuals and groups, to take action which they consider necessary on areas of health relevant to them, supported by professional workers.

The many funds now available for disadvantaged areas need to be harnessed to support such initiatives. In its recently published draft strategy, the Department of Health and Social Services formally endorsed a community development approach. This is most welcome.

Footnotes

Democratic dilemmas

Richard Jay

It is a common claim that, in the era of direct rule, the institutions and skills required for democratic politics in Northern Ireland have fallen into decay. Perhaps, indeed, they were never developed.

In the transition from the élite liberal politics of the 19th century to modern mass democracy, the political classes of the two main northern communities learned only how to maintain permanent coalitions in mutual antagonism and unequal power. The skills required for the management of change were neglected. Neither leadership learned how to open up democratic debate, based on mutual respect, tolerance and a readiness to accommodate disagreement. Nor, indeed, could they concede grassroots participation and encourage diversity of expression within their own communal bloc.

As this political stand-off disintegrated in the late 1960s, direct rule, sustaining all the paraphernalia of the security state, was imposed to prevent a collapse into civil war. The top-down, technocratic decision-making which ensued was qualitatively better and showed greater capacity to manage, indeed initiate, social change. But it opened up, in that now-familiar phrase, a ‘democratic deficit’, detaching people and their political leaders from the machinery of government—leaving them to founder, with neither power nor responsibility, in a mire of political rhetoric.

A simplified picture, certainly, but one which acquires wider significance in the context of contemporary debates elsewhere about the decay of organised party politics, the weakening powers of national political élites and the declining credibility of politicians in the eyes of their publics. And it raises real difficulties in addressing social exclusion.

Policy strategies for social inclusion which do not attend to issues of democracy, whether in Northern Ireland or elsewhere, potentially fall foul of criticisms that have become familiar in recent times: they will be driven by élite-based, bureaucratic priorities, not genuine social needs; they will be paternalist, inaccurately targeted and more likely to sustain marginalised groups in a state of ingratitude, semi-detached dependency than to secure entry into full membership of civil society.
Conversely, democratic procedures which merely appear to circulate political leaders without addressing substantial social concerns will not only fail to incorporate the dispossessed into the political community but encourage others to drop out and pursue methods inimical to the democratic spirit.

In the debate about building a new democratic politics in Northern Ireland, two sets of propositions loom large. The first is the need to found political institutions upon principles of power-sharing (‘consociationalism’) or consensus politics. Analogies have frequently been drawn with European states which developed structures of political accommodation among political elites across religious or ideological divisions—what might be called the Dutch solution to an Irish problem.

It is not, however, clear that these proposals answer contemporary needs. Historically and culturally, consociational arrangements appear too closely linked to a fading post-war era of corporatist management, when political deference and collective discipline could sustain communal blocs in relationships of semi-permanent, if peaceful, confrontation. In Northern Ireland, for better or worse, those absolute communal solidarities have broken down, probably irretrievably. The Framework Documents\(^2\) sought to contrive a complex constitutional arrangement, balancing majority and minority claims, which required highly consensual decision-making—a theoretical abstraction which imposed almost impossible demands upon political leaders, created a jungle of rules and committee systems, and ensured that citizen participation would be virtually a non-starter.

The second view shifts the focus away from the established political classes and organisations and towards a wider range of actors. These are community groups, voluntary bodies and other non-governmental organisations which engage directly with government. These can act as instruments for implementing social and economic policies, forums for creating active citizens and articulators of the interests and values of those outside official decision-making.

There is much to be said for such bodies as the pillars of a new democracy. But their contribution may still only be partial. However participatory internally—a moot point—question-marks can be raised about their representativeness and accountability. Moreover, their capacity to socialise power and widen accessibility is constrained: as actual or potential ‘social partners’, they often represent the mirror image of the bureaucratic state, locked together in an ever-more-complex web of backroom lobbying, personnel exchanges, network-building, grant applications and monitoring exercises.

What, then, is entailed in ensuring the excluded have ‘a voice’? This is not as simple a question as it seems. For it begs two further questions: is the larger society willing to listen? and are the aspirations of the
excluded expressed in a manner which that society can understand?

There is a simple image, widely held, which suggests that flinging open the doors that bar access to power, drawing the excluded within the portals of society, is a straightforward, one-way process. Let us make, for the moment, the large supposition that mainstream society in Northern Ireland is prepared for such radical change. Less discussed has been the obverse assumption: that for those who claim to speak for the excluded, it is simply a matter of walking in. Yet engagement in such processes is complex and multi-faceted, and access is always constrained—and the price of entry may be higher than many can willingly pay.

The relationship between social exclusion and paramilitary violence in Northern Ireland over the last two decades and a half has meant that those asserting political claims on behalf of the most marginal sections have, if anything, enjoyed a disproportionate public voice—despite the largely ineffective broadcasting restrictions—as any content analysis of international media coverage of the various parties in Northern Ireland will show. And, arguably, the central political difficulty of modern times—when virtually any group with a fax machine and a press officer can find occasional space in one or other medium—is not having the power of speech but having the ability to make oneself heard among the Babel of contending voices.

Moreover, the political voice of the excluded may represent simple self-expression, rather than persuasion. We increasingly recognise in modern democracies the right of all individuals, groups, communities and minorities to express their beliefs and live their way of life—there is nothing revolutionary about ‘parity of esteem’, however unclear its implications for Northern Ireland. But there is no obligation on the rest of society to take a blind bit of notice of what is merely represented as different. As Northern Ireland’s unionists are belatedly discovering, talking a language comprehensible only to oneself is poor politics.

It is often hard for those located, or self-located, on the social, cultural or political fringes to step into genuine dialogue, for all-too-familiar reasons. Isolation can provide its own rewards: suffering can become proof of virtue. Shifting from passive victim to active persuader is psychologically and politically a struggle: ‘empowerment’ involves breaking out of a vicious circle.

Entering into real dialogue is also potentially divisive. While we all stick together in the same boat, singing from the same hymn sheet, we may survive. But tacking towards a distant objective may open up cracks in our vessel, creating dangers and tensions we might have preferred to avoid. The leaders of marginal groups require immense courage to sustain the case for participation in political processes, knowing that this may yield gains which are only marginal and long-term. It may not only mean developing a different language to describe and explain one’s
position to others, but compromising the purity of one’s ideology or morally authentic way of life.

To ‘come in from the cold’ is not costless, and the advantages are frequently uncertain. The very diversity and fragmentation of lifestyles and social groups raises the price of accommodation, and does not guarantee that the benefits of incorporation will be evenly spread. Affirmative action legislation in the United States, for instance, appears to have benefited women and Asian minorities more than the Afro-Americans for whom it was primarily devised.

In simpler times, when welfare states were presided over by social or Christian democracy, social inclusion appeared one-dimensional—an entitlement to the benefits intrinsic to equal citizenship and to a decent standard of living irrespective of personal misfortune. It is far from clear now, in a world where economic competitiveness is at a premium, that these are in any way deliverable in a form instantly acceptable to the potential beneficiaries.

Footnotes

2 Frameworks for the Future, Northern Ireland Office, 1995
The exclusion of women’s voices

Anne Marie Gray
Deirdre Heenan

Since the introduction of direct rule in 1972, there has been much discussion of the ‘democratic deficit’, which has come to be associated with the lack of a regional assembly. More recently, the notion of social inclusion has come to the fore, adding another dimension to concerns about openness, accountability and representativeness.

In both these contexts, the widespread use of quangos in Northern Ireland raises a key question: who participates in making the decisions?

All quangos in Northern Ireland have formal links with one of the seven government departments or the Northern Ireland Office. As quangos are appointed boards, the electorate has no say over their membership, yet they are responsible for a wide range of functions, including the administration and delivery of health and social services, fair employment and equal opportunities. As of March 1995, there were 142 quangos in Northern Ireland, with 2,258 members; by contrast, there are just 565 locally elected representatives.

Through quangos, government has distanced itself from the democratic process. Health service trusts, for example—responding to an accounting rather than a representative logic—have further eroded political accountability. While quangos have been vested with extensive powers, many people do not understand what they are, how they operate and how they are made up. Concern has recently been expressed about quango appointments—in particular as to their diversity and representativeness, in terms of class, age, religion and geographical location.

Let’s look in more detail at the treatment of women, who have been marginalised by the informality of the system of nomination and selection.

Women remain seriously under-represented on boards: 68 per cent of appointees are men. Of the 142 quangos, 21 have no female members. Those associated with the Department of Agriculture have the lowest female representation (17 per cent), those linked to the Department of Trade and Industry the highest (41 per cent).

Earlier statistics were even worse: in
1986, women made up only 18 per cent of quango members. But closer scrutiny shows the subsequent improvement to be less encouraging than it initially seems.

Firstly, women are much less likely than men to be appointed to more senior positions. Those boards chaired by women tend to be associated with ‘women’s issues’, such as the Equal Opportunities Commission, the General Consumer Council or the National Board for Nursing, Midwifery and Health Visiting. Secondly, those women appointed to boards tend to represent a narrow section of the community—middle-class professionals. While of course the number of women on boards should be increased, the increase should also be associated with greater diversity.

There are no overall legal requirements on quango composition—the rules vary and depend on the particular body or its parent department. Senior civil servants are usually responsible for appointments, although the secretary of state for Northern Ireland has direct responsibility for a number.

About 1,000 of the 2,258 appointments are nominated by departments but the remainder are filled using names put forward by organisations like the Confederation of British Industry, the Irish Congress of Trade Unions, the Ulster Farmers’ Union, the district councils and political parties. The low proportion of women members is largely a result of the channels through which names are sought. Nominations generally come from organisations which have men at the top, in every sphere, and men are thus more likely to be regarded as ‘suitable’ nominees.

Individuals can nominate themselves to quangos, but few are aware of this option. Positions are not advertised, so the public remains unaware of when they arise. A minister or senior civil servant can invite people to apply, but this usually only happens if they have prior knowledge of their background and experience.

The Central Appointments Unit (CAU), part of the Central Secretariat at Stormont, is responsible for maintaining an active list of names for consideration, based on self-nominations. Arising from concern expressed by the CAU that not enough women were being nominated, the number of women on the list has risen significantly. But, since the unit is responsible for only a small proportion of appointments, this initiative has had minimal impact.

In October 1995, following the Nolan report in Britain on standards in public life, the Central Secretariat published advice on good practice for those making public appointments. The document usefully provides background information on the system and the range of such appointments, which hitherto has not been readily available. It also represents some commitment to broaden the membership of boards, acknowledging the need for ‘new blood’ and to increase the proportion of younger people and women. And it suggests that if public bodies are to command widespread confidence they should be as
representative as possible.

But it goes on to say that “the prime consideration is an individual’s ability or potential to make a positive contribution to the work of the particular body or board”. Yet the criteria for assessing ‘ability’ or ‘potential’ are not clearly defined. The danger thus remains that the experience of women will continue to be marginalised.

For the most point, these guidelines are not mandatory. While they provide advice and direction, they can simply be disregarded by those responsible for nominations and appointments.

Each department has its own ‘players’—people known to them who are regarded as ‘a safe pair of hands’. These people are also likely to have served on boards before. There has been departmental and ministerial reluctance to embrace new ideas about suitable candidates.

Those responsible for appointments have traditional ideas about career patterns and experience, prejudicing women who have not followed the standard (male) career path. Although women are extensively involved in community and voluntary work, the system of appointment fails to recognise the important skills and expertise women have gained in these sectors. Unwritten rules appear to dictate that women must be ‘appropriate’ for the task—what exactly these parameters are remains unclear.

Serious consideration must be given to establishing quotas for women on all boards. To broaden the range of experience, qualifications and necessary attributes should be clearly specified, with proper weight given to experience in voluntary and non-commercial organisations. Advertising, which has rarely been used in the recruitment of members, would make the system more accessible. A limit on years of service would increase the opportunity for injection of new blood, as would a limit to the number of boards on which an individual could simultaneously serve.

The current political climate provides an opportunity to reshape political institutions in ways which will not only command public confidence but also broaden participation. Resort to nominated boards restricts open government and if such a system is to operate it must be made more accessible and accountable.

Although the guidelines on public appointments are welcome, they represent a small advance towards a larger review of the system as a whole.

Footnotes

1 Guidance on Public Appointments in Northern Ireland, available from the CAU, Room 25, Stormont Castle, Belfast BT4 3ST
Social inclusion is, of course, a key concern of the voluntary sector, rooted as it is in disadvantaged communities and groups. But the community and voluntary sector may also offer a broader vision of the signposts to an inclusive society.

It may do so in two ways. In recent years, numerous claims—more often asserted than demonstrated—have been made for the desirability of generalising the behaviour of private enterprises throughout public service and society. Yet there may actually be a demonstrable case that the ethos and practices of the voluntary sector are of wider applicability.

Secondly, in the sphere of ideas, notions such as ‘civil society’, ‘associational democracy’, ‘subsidiarity’ and ‘partnership’ have a particular pertinence for the voluntary sector. And these point to how a vague desire for ‘bottom-up’ approaches can be translated into a stakeholder society from which no voice is left out.

So what is the voluntary sector about? Its leaders can often be heard talking about its unique ‘vibrancy’ and ‘flexibility’—its ability to respond quickly to needs in a way government cannot (because it is ‘cumbersome’ and ‘bureaucratic’) and the private sector won’t (because there is ‘no profit in it’). Yet, over the last 15 years, the boundaries between the sectors have become blurred and overlaps more pronounced—as health trusts, co-operatives, enterprise centres, Action for Community Employment schemes, church social welfare projects and so on indicate.

The business guru Peter Drucker admits that management of voluntary sector organisations is a distinct (and much more difficult) task. For example, in a private-sector enterprise the shareholders are clearly the focus, whereas in the voluntary sector there is a complex set of stakeholders. These include users, staff, volunteers, committee members (who may also be customers) and trade unions—to name but a few.

The Irish-born management consultant Charles Handy has also turned his mind to voluntary organisations. He concludes that organisationally they are just a different variety of the same thing—but he does see them as innovative examples of experiment and dynamism.
So, where do this radicalism and the potential to prefigure wider change stem from? Events and processes in Northern Ireland over the past 25 years offer some reflections. So, too, do some international comparisons.

In Northern Ireland, it is widely accepted that the political vacuum, especially since direct rule, has been partially filled by 'civil society'—the trade unions, the churches, voluntary and community organisations, and professional or other single-interest groups, operating on a parapolitical stage. The unions have drawn credit for their resistance to further incursions of sectarianism in the workplace. The arts have been credited with providing “the space between the pillars of society”, in the words of Declan McGonagle of the Irish Museum of Modern Art. And Sir George Quigley of the Ulster Bank has recently described the key role of ‘intermediaries’ in filling the gap between the state and the citizen.

Turning to some international examples, activists in central and eastern Europe have described the transition from their anti-governmental role, through the non-governmental phase, to the current challenge of being co-opted as quasi-governmental. The African National Congress struggles with these dilemmas too, its collective role having changed within five years from guerrilla fighter to community activist. In the Philippines, meanwhile, non-governmental organisations have rejected a partnership plan offered by government, fearing absorption and disconnection from disadvantaged communities.

A common thread can be found in these experiences: it is a defence and expansion of the space that is civil society and the establishment of a proper relationship between it and the state. The US non-profit activist Brian O’Connell—who has distilled voluntary action as an ‘outlet for outrage’—argues that the development of civil society will supplement rather than challenge representative democracy.

This can happen through more power—and responsibility—being devolved by government on to voluntary organisations. It is a notion which has been developed by Paul Hirst as ‘associational democracy’.

That supplement would involve a growth in the scope of government through associations ... associational government would lessen the tasks of central government to such an extent that greater accountability of both the public power and of the devolved associational agencies would be possible. The main political objective of modern associationalism is to decentralise and devolve as much of the affairs of society as possible to publicly funded but voluntary and self-governing associations. Such associations are widely regarded in modern democratic theory as the social foundation for plural political interests, as the cement of the ‘civil society’ that sustains the liberal state. Associationalism, however, treats such self-governing voluntary bodies not as ‘secondary organisations’ but as the primary means of organising social life. In this doctrine, a self-governing civil society becomes primary and the state becomes a secondary (if vitally necessary) public power that ensures peace between associations, protects the rights of individuals and
provides the mechanisms of public finance whereby a substantial part of the activities of associations are funded.

In this way, a bridgehead can be established between the woolly concept of ‘voluntary’ (as equalling ‘amateur’) and a political theory designed to secure power for the powerless. The traditional values of the voluntary sector—facing hard problems within a framework of equal opportunities and rights—provide necessary ethical resources. Its emphasis on participation—empowering consumers and clients—is a prerequisite in terms of process. And the organisational flexibility so favoured by voluntary and community groups reflects the adaptability essential for change.

Also germane here is the European Union debate on ‘subsidiarity’—the idea of decision-making at the lowest, most appropriate level. Although the S-word is used by some member governments to defend retention of power by the ‘nation-state’, others argue that it should apply within states to ensure devolution and regionalisation. In the context of Northern Ireland, subsidiarity provides an important key-stone above the concepts of civil society and associational democracy.

And, from below, ‘partnership’—that latest buzzword—offers a crucial underpinning, drawing as it does on another European idea, that of social partnership. Under the EU Special Support Programme for Peace and Reconciliation (the ‘Delors package’), partnerships are to be established at district council level, with one-third community representation. Along with the other support from the EU structural funds, under the Single Programming Document for Northern Ireland, this will give an enormous boost to developing ‘community infrastructure’ at the grassroots. The Northern Ireland Partnership Board, overseeing the partnerships at district level, will bring together the region’s social partners—the voluntary and community sector, the trade unions, the farmers and employers—around the table with the political parties, potentially wielding real influence and some power.

There are those who argue that partnership is a move to co-opt the energy and radicalism of the voluntary sector—that the bureaucracy of committee behaviour and papers, and socialisation with the other partners, can blunt the capacity of representatives to reflect the anger, hurt and passion of those dispossessed over so many years. The test, of course, will be the ability of those charged with representing the value-based community and voluntary sector to deliver pragmatically while not sacrificing principles. This depends on adequate back-up, allied to clear accountability to a strong constituency, with a two-way information flow.

But the inducement to participate in such arrangement is that if the experiment works, over the three (or five) years of the Delors package, it may be extended and the model developed to deliver other services. That is the challenge which can bring civil
society, associationalism, subsidiarity and social partnership together to fruition—and begin to herald a more inclusive society.

Footnotes

Towards an inclusive society

Paul Teague
Robin Wilson

Social exclusion is a term that has gate-crashed the debate about the direction of social policy without paying the entrance fee of a definition. As a result, there is confusion about its exact meaning.

Some are dismissive, suggesting that it is simply old-fashioned concern about the poor dressed up in fancy garb. In one sense, they are right: social exclusion is tied to the past and to suggest otherwise would be to devalue the commitment of previous generations to reducing poverty and inequality as well as expanding democracy.

At the same time, it would be misleading to view it as simply a new veneer on old problems. ‘Social exclusion’ is also contemporary, even forward-looking, as it is used to emphasise that changes in economic and social life have rendered old remedies to social problems less effective, if not obsolete. New times have brought different forms of poverty and inequality, requiring modern solutions.

By social exclusion we mean not just a static snapshot of inequality but a set of processes, including within the labour market and the welfare system, by which individuals, households, communities or even whole social groups are pushed towards or kept within the margins of society. It encompasses not only material deprivation but more broadly the denial of opportunities to participate fully in social life. It is associated with stigmatisation and stereotyping, though, at first sight paradoxically, some of those who experience exclusion develop survival strategies which are premised upon its continuance. And it highlights the primary responsibility of the wider society for the condition of its marginal members, of the need for all to share equally in the fruits of citizenship.

Consider the operation of the UK labour market over the past 20 years. There have been radical changes in the nature of work and employment—a marked trend has been the virtual collapse of male, semi-skilled jobs. In 1975, about 9 per cent of men without qualifications were economically inactive;1 by 1993 this had soared to 35 per cent. Today, there are one in four men—4 million individuals—outside the
labour market, compared with one man in 12 15 years ago.

Alongside this trend has been a widening wage gap. From the end of the last century up until 1979, wage inequality in the UK showed little change. Since then, however, the gap has yawned and wage inequality is now greater than it was 100 years ago.

A seductive position is to blame the present Conservative régime, but this is only part of the story. Other industrialised countries have experienced similar trends. A key influence almost everywhere has been a radically changed pattern of demand for skills.

Because of changes in product markets and technology, organisations are turning their backs on those without skills and increasingly seeking those with substantial training. The lesson is clear—there is an exceptionally cold climate in the labour market for individuals with few or no skills.

Other examples could be given of the shifts in employment: the trend towards ‘work-rich’ and ‘work-poor’ households, the proliferation of ‘atypical’ work across Europe, and so on. All these diverse trends point in the same direction—towards a widening division between haves and have-nots. All around, evidence is emerging of particular groups—the long-term unemployed, single parents, inner-city residents and so on—being marginalised, even vilified. Shunted under the floorboards of society, they are living lives from which hope, expectation and money have been squeezed out.

To be sure, the tensions between labour-market ‘insiders’ and ‘outsiders’, which Hilary Silver explores, have always been there, but contemporary economic and social life is making these divisions more acute and long-lasting. Those who believe that many of the present social inequalities will be reversed simply by removing the current Conservative government are deluding themselves.

Social democratic parties in the UK and elsewhere in Europe are having great difficulty putting together a credible programme to deal with the contemporary manifestations of poverty and inequality. That is why so few governments of this type are sitting in any European capital.

Equally unsatisfactory are platitudes about the need for ‘proper’ jobs or full employment. These slogans portray a mindset caught in the economic and employment conditions of the 60s. The impression given is that the present unemployment crisis is some type of conspiracy which if put down would result in the return of skilled, well-paid jobs. This is magic-wand economics, which fails to address the complex and sometimes disturbing working of today’s labour markets.

Social exclusion as a concept is an attempt to get away from such ultimately dead-end approaches. It challenges us to see present levels of unemployment and poverty as not simply the product of nasty employers or Tories, but as a result of the emergence of a new economic and social
model of development. It challenges us to reinvent our traditional perceptions. For instance, it would be sheer folly to pretend that the family today is the same type of social institution it was 20 years ago.

Social exclusion challenges us to ask searching, uncomfortable questions. Can, for example, the labour movement be the guarantor of economic citizenship it was a generation ago? It challenges us to wave goodbye to many cherished principles and policies. Can universal social benefits continue for much longer, given the huge growth in demand for welfare? And social inclusion must be about recasting the web of institutions and rules that support citizenship rights, so that they are in line with economic and social conditions on the ground.

While the debate about social exclusion is prompting a big re-evaluation of the welfare state and labour-market regulation, frankly, no satisfactory or widely-supported answers have emerged. There is no well-developed identikit model to put in place to relieve inequality.

But then it is an illusion, also, to believe such an identikit could be built. Just as the social model established in many European countries after the second world war took a variety of institutional forms, so the character of any new model will be rooted in the historical, cultural and economic traditions of a particular country. What works in Germany or Sweden may not necessarily be transferable to Ireland. To a large extent, we will have to find our own way out of the social exclusion maze.

The first question is whether any economic strategies can be embarked upon to reduce social exclusion in Northern Ireland. Can more be done to promote employment generation—given joblessness is such a big source of poverty and lack of income?

Contrary to popular belief, the employment performance of the Northern Ireland economy over the past seven years or so has been as good as during any equivalent period in the history of the state. For the most part, the unemployment rate has been on a downward path for more than two years. About 8,500 fewer people are now on the dole than at the beginning of 1992.

Part of this drop can be explained by tougher rules deterring people from signing on. But it also reflects fairly strong job generation: between 1992 and 1994, the numbers in employment increased by over 11,000. At the moment, the employment growth rate in Northern Ireland is as good as, if not better than, the average for the UK as a whole, as well as vis-à-vis the Republic.

Despite these positive underlying labour-market trends, however, unemployment in the region remains high. Can more be done internally to reduce it? Overall, the answer has to be fairly pessimistic. First of all, as only a region of an economic union, some of the traditional instruments of macro-economic policy are not available within Northern Ireland. Money cannot be
made cheaper by reducing interest rates to encourage investment, nor can decisions be made to increase public expenditure so as to stimulate demand.

One theoretical possibility is for central government to inject extra resources into the regional economy, to maintain cohesion and stability. In practice, however, this option is effectively closed off. During the 25 years of the ‘troubles’, the British subvention increased sharply.

At the turn of the 70s, Northern Ireland was more or less a self-reliant region, needing only a tiny fiscal transfer from the Treasury. But as a result of industrial decline, large numbers entering the local labour market and the escalation of violence, the Northern Ireland economy was thrown into turmoil. To have allowed an economic crisis to run alongside the political turmoil would have pushed the region into the abyss. In the face of these various economic shocks, successive British governments allowed a big expansion of the public sector.

Financing this expansion meant a huge growth in the UK subvention—the gap between what is raised regionally in taxes and public money spent. Estimates of this subvention vary, largely because it differs from one year to the next. But, currently, it stands at about £3.8 million—a huge sum which, proportionately, far outweighs the transfers to Scotland and Wales.

There is considerable debate about the exact role played by the subvention in the regional economy. One less than complimentary perspective is that the enlarged public sector has turned Northern Ireland into a ‘workhouse economy’, with those in employment largely servicing or controlling the population. The alternative view is that the large subvention is neither exceptional nor problematic, since Northern Ireland is part of an economic union which promotes efficiency and equity.

More relevant for our purposes than this (incomplete and unconvincing) debate is that the scale of the subvention makes it neither credible nor realistic to argue for extra public cash to solve the region’s unemployment and poverty. To expand its public sector even further would turn Northern Ireland into an old-style eastern European economic system.

The large fiscal transfer also makes any strategy to improve labour-market performance through private-sector-led initiatives more complicated. The danger is that any extra economic growth that may arise as a result of the ceasefires will simply be utilised to reduce the subvention.

About 80 per cent of the region’s labour force are engaged in non-tradeable activity, predominantly in the service sector. There is nothing intrinsically bad about an economy having a large service sector—provided it is made up mainly of wealth-creating activities, such as tourism or financial services, or it is accompanied by an efficient manufacturing sector with sufficient export shares to finance non-manufacturing activity. But a large non-tradeable sector, alongside a lacklustre tradeable sector, can only be sustained, as
in Northern Ireland, by government subsidies.

In these circumstances, the government might attempt to use extra growth resulting from the ceasefires to wean the economy off its dependence on public money. So as jobs and economic activity increase in areas like tourism, the government may contract the subvention. The overall result would be that the net increase in jobs and growth would be low.

This is why the trade union demand for no immediate reduction in the subvention should be fully supported. Should government give such a commitment, the prospects would be much brighter for additional jobs and income generation.

Another possible route to shorten the dole queues is regional redistribution. One way this could be done would be via a regional tax, obliging the more well-off to give more to the public purse to help the less favoured—north Down showing solidarity with north Belfast. Mike Morrissey and Frank Gaffikin are rightly sceptical of such a scheme, though their estimate of the base for a regional tax may be overly conservative. Put simply, a regional tax would have to be set at unrealistically high levels for enough money to be raised to launch an effective assault on high unemployment.

Amongst economists in Northern Ireland, a popular view is that the region’s labour market is segmented into public-sector jobs, where wages and conditions are good, and a private sector where wages are lower and employment more precarious.

Obviously, this is a stylised picture: the private sector has highly rewarding jobs, while some public-sector employment is unpleasant. Nevertheless, in aggregate terms, it is not far off the mark.

On the basis of this segmentation model, one proposal was for public-sector workers to receive only a portion of annual UK-wide pay rises, with the remainder being diverted into a regional employment fund. The logic of the proposal was simply that the better off in the labour market—the insiders—should show solidarity with the outsiders by helping create extra jobs.

Recently, however, the conditions necessary to make such a scheme operational have rapidly evaporated. After several years of little, if any, pay increases, many public-sector workers are neither in the financial position nor the political mood to enter into such solidarity wage-bargaining at the regional level. Moreover, the big moves towards contracting out and privatisation, particularly in health, have almost overnight changed the labour market status of many workers, from insiders to outsiders. Furthermore, the seemingly relentless march of decentralised pay-setting in the public sector is dismantling the institutional architecture to enact such solidarity wage bargaining.

Thus, it appears that the scope is limited for offensive regional redistribution strategies to increase the overall number of jobs in the regional economy. But this does not obviate the need for regional taxes or solidarity wage-bargaining.
If the current ceasefires are transformed into a permanent peace, then it is indeed probable that sooner or later the Treasury may seek to reduce the subvention. Regional departments of government may begin to face harsh cash limits, similar to those imposed on local authorities in Britain. Very quickly, trade unions may find themselves in the invidious position of having to choose between wage increases and job losses.

If this situation were to arise, there is a strong case for defensive solidarity bargaining, in which trade unions put a premium on defending jobs rather than increasing pay packets. Virtue should not be made out of this type of bargaining and no doubt it will grate on many trade unionists to go down this road. But at least it would avoid the unseemly circumstances—which happened in the mid-to-late 80s in the republic—of trade unions accepting large-scale public-sector redundancies, in a period of high unemployment, while securing high wage increases for those remaining in post.

Regional taxes, too, could be used to make the local labour market work more effectively. Paul Gorecki and Cormac Keating highlight the many ways the benefits system distorts the labour market by creating disincentives to work. They make a number of positive proposals, the better to dovetail employment creation and the benefits system. But each will cost money, and it may be that regional taxes may be required to secure the extra resources.

Alternatively, a regional tax could be targeted on a scheme to help the long-term unemployed. The eminent macro-economist Dennis Snower has become a passionate advocate for marginal employment subsidies, which Silver has examined. He proposes that those who become unemployed for more than a year should be able to use part of their benefits to provide vouchers to the firms that hire them. In other words, an employer receives a subsidy to recruit the long-term unemployed. Although falling short of a full-scale remedy for unemployment, regional taxes may nevertheless be able to make a strong contribution to one dimension of the problem.

Making the benefits system more employment-friendly or developing targeted schemes for the long-term unemployed are primarily designed to change the incentive structures in the labour market, to help prevent individuals falling into long spells of economic inactivity. They do little to alter the overall conditions of the regional labour market. But Northern Ireland continues to experience a big mismatch between the supply of, and demand for, employment: not enough jobs are being created to keep pace with the numbers entering the labour market.

Because of this structural mismatch, many are sceptical whether programmes for the long-term unemployed, like the Community Work Programme (CWP), recently set up by the British government, can bring about meaningful change. Maura Sheehan and Mike Tomlinson strike such a cautious note. On the basis of their
analysis, much needs to be done to prevent the ‘revolving door’ syndrome, whereby the long-term unemployed go from one project to another without actually breaking into the labour market proper.

Sheehan and Tomlinson highlight other problems with the CWP: the lack of skills and training in many of the programmes, the absence of formal qualifications and an awkward relationship with the voluntary sector. If the best solution—more jobs in the formal labour market—is not immediately realisable, then the second-best alternative should be made available. The CWP seems unfortunately to be sliding into a third-best alternative.

A number of conclusions follow from this analysis. First of all, the climate is cold for big, extra spending to reduce social exclusion: in present circumstances, all that can be demanded is that the UK subvention remains at its current level. Government should be lobbied hard to make a commitment on this point.

Secondly, regional redistribution strategies would be unlikely by themselves to reduce unemployment and poverty, but regional taxes and collective bargaining may allow some positive, if limited, policies to be delivered and assist equality in the labour market. It may be worthwhile introducing some innovations in these two areas.

Whereas the room for manoeuvre on the economics of social exclusion is limited, it may be possible to develop a positive democratic programme in relation to the politics of the matter.

Many of the institutions of government and public life in Northern Ireland are organised and run in a deeply undemocratic way. Many policies pursued by government have inequitable outcomes. In the absence of ‘normal’ politics during the past 20-odd years, a hierarchical social structure has persisted in the region without effectively challenge. Together, these institutional and social arrangements work to perpetuate an unequal and unfair Northern Ireland. To advance the social inclusion agenda in the region will involve lobbying for far-reaching change in many areas of political life.

Present political structures connecting Northern Ireland with London are deeply undemocratic. The financial relationships between Westminster and Stormont are crucial, yet this area of government comprises a particularly closed system of decision-making.

In 1993-94, nearly £7.5 billion of public money was spent in the region’s economy. Arriving at the expenditure plans for the various programmes is a long, complex, bureaucratic process. Usually, it begins with officials in the Northern Ireland Office conducting a mini-budget exercise, which brings together and invariably prunes the demands of regional departments.

These estimates then form the basis of negotiations between the NIO and the Treasury, from which a figure is derived for the block grant—the total annual amount of public expenditure transferred from the Treasury to the NIO. Importantly, this grant
is not divided into specific, earmarked programmes. So, when Stormont receives the money, it has a high degree of discretion over the precise allocation of the budget: a department can receive more or less than its initial expenditure bid.

When the block grant is dispersed across the various programmes, another group of civil servants, usually alongside an unelected quango, will sub-divide the money into particular projects and activities. Take health care, for example. Each health board—consisting mainly of unelected officials—will receive a financial allocation which it then channels to the various hospitals and projects under its control. When a hospital receives its share of the pie, another unelected body, mostly in the form of trusts, further distributes the cash in line with its medical and health plans.

Thus an entire chain of financial decisions is taking place, year in year out, in the absence of any effective democratic controls. Civil servants devise and implement policy without in any way being accountable. Elected representatives have at best an indirect influence over public expenditures priorities and policies. Anne Marie Gray and Deirdre Heenan show the shortcomings of the many unelected quangos that have mushroomed in recent years.

All in all, there is a big democratic deficit in the management of public money in Northern Ireland. Like other parts of government decision-making, this deficit will only be effectively addressed with the creation of some type of elected regional assembly. Politicians in such a body would have to account for the financial decisions and policy priorities they established, even though the ballot box might not in the short run be a genuine sanction due to the polarised nature of local politics. Moreover, a regional assembly would allow various pressure groups to lobby for policy change, which would be a refreshing development.

Indeed, in such a context, the possibility would arise for additional revenue generation at the margin (which as anyone who knows anything about the inertia of budgets knows, can mean creating much larger room for expenditure manoeuvre). And, since the average taxation rate for the UK, at 33.8 per cent, is the lowest in the EU and eight points below the average of 41.7 per cent, there is surely scope for change before any perverse disincentive effects would arise from a marginal variation in Northern Ireland.

The Scottish Constitutional Convention has proposed² that a future parliament for Scotland should not only continue to receive Treasury funding according to the existing ‘Barnett formula’—under which Northern Ireland’s block grant is also calculated—but should also be able to vary the rate of income tax by up to three percentage points.

More generally, far from having to struggle, like Scotland, to enhance its autonomy, Northern Ireland, would—if the governments in London and Dublin could only have their way—have democracy showered upon it. In such a context, there would be
great scope to develop synergistic policy thinking with the republic, itself similarly grappling with intense problems of social exclusion.

But whether a devolved democratic institution will actually be constructed as part of any political settlement in Northern Ireland remains an open question. Both the main political parties—the Social Democratic and Labour party and the Ulster Unionists—appear to have a take-it-or-leave-it attitude to such an arrangement, which is disappointing. For it is hard to imagine alternative political structures that could ensure the connections between Northern Ireland and Westminster are simultaneously accountable and efficient.

With the prospect of a regional assembly some way off then, more immediate means have to be found to prise open the closed decision-making surrounding public expenditure matters.

One option would be to revamp and strengthen the Northern Ireland Economic Council, according it an input into the annual round of public expenditure planning. Bringing together trade unions, employers and other groups like consumer bodies, the council could bring a fresh, independent dimension to fiscal management.

Moreover, the social partners would be obliged in the process to adopt a more positive, pro-active approach to government spending, rather than standing timidly on the sidelines, reacting opportunistically to any decision with which they disagree. In the UK, such consultation and policy formation is pooh-poohed as ‘old-fashioned corporatism’. But given that the vast bulk of other EU member-states practise it, this argument is unconvincing.³

Another worthwhile initiative would be to establish a body like the National Economic and Social Forum in the republic. This has a wider representation than the ‘traditional’ social partners, making it more able to put on the policy agenda matters more directly relevant to marginalised groups. In Northern Ireland, there is no voice mechanism for these groups to articulate or push forward ideas. As a result, little pressure is brought to bear on civil servants to reassess policy priorities.

A Northern Ireland Economic and Social Forum⁴ would include not only representatives of employers and trade unions,
but also community, women’s and youth organisations, including rural interests. It would provide a broad participatory complement to the intellectual strengths of the NIEC.

Such institutional innovations would create parallel policy structures north and south, providing greater scope for synergistic thinking to emerge, for which Pauline Conroy’s acerbic insights show the need. This is especially so in the context of the current work on the elaboration of a ‘national anti-poverty strategy’ in the republic.

Launching the latter initiative at the United Nations Social Summit in Copenhagen in March, the minister for social welfare, Proinsias de Rossa, pledged his government to “implement proposals to substantially reduce poverty in the shortest possible time and to reduce inequalities”. This would entail “mainstreaming” or “poverty-proofing” the policies of all government departments and agencies, he said.5

While they might not assuage the democratic deficit within Northern Ireland, such institutional reforms would facilitate a broader public dialogue on government expenditure. This would certainly represent a challenge to government, but it would also throw down the gauntlet to the wide range of interest groups which might benefit from a more open decision-making process.

If various groups are brought closer to policy-making, it is beholden on them to ensure that the views they put forward are as representative as possible of their particular constituencies. Richard Jay raises some awkward questions about the democratic credentials, the internal cohesion and effectiveness of many groups that purport to represent the marginalised. These questions cannot be brushed aside, for ultimately government will only take groups seriously if they are genuinely rooted in the community.

Moreover, more democratic forms of decision-making will inevitably raise demands for social expenditure which government will not be able to meet. Interest groups will have to accept that many of their claims may not be fully met, if at all. Participative structures in relation to public expenditure are not a meal ticket so all groups can get what they want. Rather, they are about ensuring that the widest possible agreement is secured for government programmes. What is at stake is socially embedding public policy.

The voluntary sector, community groups and so on cannot wait for government authorities to unlock the closed decision-making doors before they address questions of representativeness and internal democracy. Two developments are making quick action imperative. One is the growing involvement of district councils in economic development. A big danger is that many councils will adopt a narrow, technocratic approach to this. If they are to be more innovatory and community-oriented, they will have to be confident about the bona fides of groups which may be involved in potential initiatives. This puts considerable
responsibility on the ‘third sector’ to ensure its house is in order.

Secondly, the first tranche of the EU peace money is coming on stream. To its credit, the European Commission has insisted that any project funded under the peace package must have highly participative structures. This represents a key opportunity for all those seeking a more open and democratic style of policy-formation and delivery. If the multitude of EU-funded projects that are established turn out to be successful, then an important bridgehead will have been secured for a more root-and-branch recasting of the bureaucratic method of governance in Northern Ireland.

So far we have spoken mainly of the constraints on the battle against social exclusion in Northern Ireland. Yet this is not a counsel of despair. The block grant system of funding expenditure in the region allows scope for reprioritisation of the very substantial sums involved. And the paramilitary ceasefires, given the potential they generate for a massive reduction in ‘law and order’ expenditure, hold out the hope, if the overall level of the subvention can be politically held, of a significant transfer towards social renewal.

‘Targeting social need’ (TSN) was added as a third public expenditure priority, to ‘law and order’ and ‘strengthening the economy’, in 1990. It was an ambiguous phrase, perhaps intentionally so, given how ‘targeting’ has come to connote, in recent Conservative discourse, selectivity and means-testing in welfare policy. Nor did this new priority interrogate in any way that of ‘strengthening the economy’, to which it was clearly subordinate. For these two reasons, the impact of TSN has been limited.

Even though now, in theory, the displacement of ‘law and order’ as top priority allows TSN to move up the scale, there is still a fundamental difficulty in how it is implicitly perceived as qualifying, modifying or indeed contradicting the higher goal of ‘strengthening the economy’. For as long as this obtains, social exclusion, and the socially excluded, will remain marginal.

Fundamentally, the problem is what is understood by ‘strengthening the economy’ in Northern Ireland—and by the associated media coverage, in which ‘So-and-so invests £x million in Ballymena’ stories figure prominently. Reflecting the narrow focus of orthodox economists focus on the firm, this neglects the economic implications of the wider social relationships in which the firm is embedded. For example, the economic costs of inadequate social investment in ‘human capital’—education and training—or the fiscal drain of mass unemployment go unrecognised in this outlook.

A further practical problem has been the failure to link TSN to a specific programme, with earmarked funding—as a recent letter to the West Belfast MP, Joseph Hendron, from the minister of state, Michael Ancram, indicated. Asked to identify how much each department was spending in furtherance of TSN, and to quantify its impact, Mr
Ancram replied: “It would not be possible separately to identify all TSN related expenditure in the format you have requested and, as TSN is not a specific programme, but runs as a principle through many different programmes, no separate quantitative analysis of its impact is available.”

Let us assume that the aim of ‘defeating terrorism’ has indeed been rendered obsolete (leaving aside its good sense or effectiveness in the past) by the near-elimination of lethal paramilitary violence. The ‘law and order’ budget for 1995-96 is £889 million. Whether or not it is realistic that any reformed or new police service could be of the size (3,500) of the pre-troubles’ Royal Ulster Constabulary, it is not unreasonable to claim, given a current RUC complement of around 13,000, that a halving of the budget is achievable in the next five years.

Let us recognise also that the separation between the second and third government priorities of ‘strengthening the economy’ and ‘targeting social need’ is intellectually, as well as morally, indefensible. In that context, the system of governmental priorities should be scrapped.

The TSN priority and the separately evolved Policy Appraisal and Fair Treatment (PAFT) guidelines should be rolled up into a single policy focus, Addressing Social Inclusion, whose twin aims would be the ‘poverty-proofing’ of all departmental and statutory agency actions and the ‘mainstreaming’ of hitherto marginal initiatives. It would be subject to regular and independent review.

A new programme should be established, Establishing Social Renewal (ESR). Its mission—to take a phrase from the Combat Poverty Agency submission to the Forum for Peace and Reconciliation—should be to “empower the excluded and marginalised to become part of the mainstream, to become stakeholders in society.”

There is no shortage of ideas as to what this might contain. On the contrary, the problem would be prioritisation in selecting from Labour’s Borrie commission, the Liberal Democrats’ Dahrendorf commission, the Rowntree inquiry, the Irish Congress of Trade Unions’ post-ceasefire document, the CPA submission ... and the many further ideas developed in this report. There is, moreover, the important experience gleaned from the Making Belfast Work (MBW) initiative.

Debate is thus the key, and the programme should be elaborated and delivered in a manner consonant with the emphasis on stakeholding. As the ICTU argues, “In addressing these issues, there has to be a recognition by government that, effectively, there has been a democratic deficit of very significant proportions in Northern Ireland, and it will be vitally important to address issues of community involvement in the regeneration process. This will also mean trying to secure political involvement, as early as possible, in the process, and giving voice to community, voluntary and women’s groups, trade unions, employers, political and other organisations, in
helping to shape the regeneration programme.\textsuperscript{12}

The NIEC and the proposed NIESF could jointly be charged with managing this debate, with the elaboration of the ESR programme. Execution in government would fall primarily to Health and Social Services as lead department, as in the republic and in line with the department’s stronger record than any other on TSN, though clearly other departments and agencies would need to be involved.

Crucial would be central political direction and commitment to ensure policy prioritisation. Wherever possible, however, there should be devolution of administration to non-governmental organisations.

This is a logical step beyond the idea of ‘partnership’ between the various agencies and representatives of the socially excluded, which has acquired a wide currency through MBW and the mechanisms for allocation of the special EU package. It recognises that the process of ensuring that the socially excluded have an equal voice is as important as any outcome in terms of improved life chances.

It is in the arena of welfare in particular that this argument for ‘associative democracy’,\textsuperscript{13} to which Quintin Oliver referred, has strongest purchase, offering as it does a socially responsive alternative model to market or bureaucratic provision. Again, it is not that vast monies are not already available; it is that they are allocated in a process which reproduces social dependency and stigmatisation.

The aims of associationalism in welfare are:

- that provision is by voluntary self-governing associations which comprise partnerships of providers and recipients, with democratic structures and rights of exit;
- that such organisations are principally publicly funded and subject to public inspection and standard-setting; and
- that any voluntary organisation may establish whatever range of services its members choose, thereby providing citizens with choices.\textsuperscript{14}

In other words, associationalism represents an accountable and participatory alternative to the progressive agentisation of welfare (including health) provision. Associational structures, being ‘closer’ to the citizen, are actually easier to establish at a regional level. Indeed, the existing rhetoric of partnership in Northern Ireland, as well as the block grants to intermediary funding bodies (like the Northern Ireland Voluntary Trust) under the EU ‘peace package’, provide important precedents upon which an associational strategy can be pursued.

An instance of associationalism already in practice in Northern Ireland in a different sphere may assist. In education, Northern Ireland’s integrated and Irish-language schools operate on associationalist principles. That is to say, they are defined by the involvement of citizens (parents) who have chosen to be their ‘consumers’, though with a right to withdraw and go elsewhere, and enjoying—eventually—public financial
support, in return for inspection and meeting adequate educational standards. This distinguishes these two types of school from the ‘controlled’ (state) sector and, given the absence of democratic control, the remainder of the ‘maintained’ (Catholic) sector.

One of the other merits of associationalism, however, is that it responds to the growing taxpayer resistance to meeting the costs of what are perceived to be alien and ineffective welfare systems. A second avenue in this regard is the use of ‘hypothecation’, the earmarking of taxes for specific purposes. If these were used in combination, it would be possible to demonstrate that tangible, socially useful projects were funded by taxpayers, rather than the latter feeling that their deductions were simply absorbed into an anonymous, bureaucratic state.

The expenditure associated with ESR should be drawn from a progressive saving from the ‘law and order’ budget, which should have reached 50 per cent by the year 2000 and which would be ring-fenced as it became available—an annual figure, in other words, of some £4-500 million. This clearly could involve political battles with the Treasury, which would be anxious meantime to claw back ‘security’ savings.

Frankly, part of the rationale for the approach outlined here is to make that politically difficult. Turning swords into ploughshares in Northern Ireland will surely carry a political cachet yet for some years to come.

This is an ambitious proposal, but even its limits should be recognised. Social exclusion is a global phenomenon, by no means confined to Northern Ireland (never mind west Belfast). It is a facet of dramatic economic transformations with enormous implications for the labour market. So there can be no complacency that Fabian-style interventionism will ‘solve’ the problem. The need for constant evaluation of efforts to address social exclusion, in an open and self-critical way, is therefore paramount.

The 1993 EU green paper on social policy noted that “social exclusion ... by highlighting the flaws in the social fabric ... suggests something more than social inequality, and, concomitantly, carries with it the risk of a dual or fragmented society”. Since the foundation of the state and beyond, Northern Ireland has of course precisely been a ‘dual or fragmented society’.

This social and political context has fostered, on one hand, a privatism and disengagement within J K Galbraith’s ‘culture of contentment’—the ‘coasters’ so excoriated in John Hewitt’s poem of the same name. On the other, it has encouraged an oppositionalism of demand and protest unconstrained by the realities and responsibilities of power.

So effectively addressing social exclusion in Northern Ireland is, ultimately, about creating an inclusive citizenship. Yet considerable disagreement also exists about what is meant by that term, ‘citizenship’.

Most modern democracies, more or less,
practise citizenship in the liberal individualist sense. From the perspective of liberal individualism, citizenship is about setting out in a constitution or legislation a plinth of rights and entitlements that upholds the sovereignty and autonomy of the individual. The vision is of individuals having a status that allows them to stand above state and even society. More concretely, the liberal version of citizenship emphasises ideas such as freedom of speech and association, the right to vote, the protection of property rights, the defence of pluralism, the separation of church and state, and so on.

In accepting the arguments for a bill of rights in Northern Ireland, so as to protect the rights of individuals, most political parties have clearly been influenced by this conception of citizenship. But it would be heroic to claim that a bill of rights would create a liberal-democratic society in Northern Ireland. This is essentially because the political and social life of the region is dominated by two communities within which a truncated form of the ‘civil republican’ version of citizenship seems to prevail.16

The civil republican model of citizenship stands in sharp contrast to the liberal individualist version. In particular, it places much more emphasis on the idea of the collective good and the social duties and responsibilities of individuals. Thus civil republicans are strong advocates of political communities and active participation. The idea that citizenship is simply some type of legal status that confers on individuals certain rights against the state is rejected as impoverished. Individuals are regarded as only being fully enriched through social co-operation and in circumstances where they play an active role in public life and abide by community norms and rules.

Civil republicanism is widely seen as being left behind by industrialisation, since full expression of this tradition was in the middle ages, particularly in the Italian republics. Today’s society and economy are regarded as too complex and varied to be organised along the homogenous and highly ordered lines implicit in the civil republican perspective.

But a civil republican form of citizenship is as much at play in Northern Ireland as any liberal individualist version. Political and religious divisions inside Northern Ireland since it was formed have always prevented the full emergence of a normal western-style civil society. Moreover, one of the effects of the past 25 years of violence has been the slow but continuous atrophy of the civil society that did exist. In response there has been a hyper-trophy of community or group life.

This important social change has taken a number of forms. Perhaps the most tangible sign has been relatively large population shifts which have turned sub-regions into mainly Catholic or mainly Protestant residential areas. Such movements are most noticeable along the border areas, but they are also observable in conurbations such as Belfast and Derry. Another
indication of a group-based society in Northern Ireland is the relatively large number of Catholic-only or Protestant-only workplaces.

Other less tangible factors also point to the communal bifurcation of Northern Ireland life. Missing are the shared symbols that bond citizens together, even in an ‘imagined’ sense, in other western societies. A simple but striking example is the Northern Ireland soccer team. Almost everywhere the national football team is a unifying force, but in Northern Ireland it is the source of division—with Protestants actively supporting the team whilst Catholics are either indifferent or actively opposed to it.

Activities that are exclusively associated with one community or the other have experienced an upsurge. In the Catholic community, Gaelic games are now more popular than ever and increasing numbers are learning the Irish language. The fact that an Ulster team has won the All-Ireland Gaelic football final in five out of the past six years, after 22 elusive years, speaks volumes about the changed character of the northern Catholic community. For its part, the Protestant community appears to be under a cloud of uncertainty and apprehension, reflected in many school leavers from middle-class families being encouraged to go to universities in Britain. All in all, the co-existence of two distinct communities is a key feature of Northern Ireland society.

At the same time, it would be misleading to push the ‘two communities’ thesis too far. The Catholic, or Protestant, community is less cohesive and integrated than, say, the historical example of primitive tribal groups in stateless societies or modern intentional communities like the Israeli kibbutzim. Thus neither religious bloc in the region is so well developed that it has its own mechanisms to maintain social control—despite the barbaric efforts of the paramilitaries.

In the past, social order was secured through such devices as sanctions of approval or disapproval, the withdrawal of reciprocity and in extreme cases feuds and vendettas. All these instruments are absent from Northern Ireland, in any overt and developed form. Thus, following Hannah Arendt, the French political philosopher, Catholic and Protestant communities cannot be regarded as communities of action, through which decentralised collectivist solutions are found to the question of order and authority. But they do come near to what Arendt describes as communities of meaning.

According to Arendt, such communities are established by the symbiotic interaction between individuals and a wider group. This interactive process involves individuals defining themselves and their identities in the context of a community, which in turn defines its identity within the wider social context. Thus, communities of meaning are akin to elements of civil republicanism, which emphasises the social setting of individual behaviour or action.

Communities of meaning can take a
negative or positive form—or both. On the one hand, they can create support structures that reduce the uncertainties and difficulties of individual life. On the other, they can degenerate into self-absorbed worlds in which individuals and the nature of their group are defined without engaging with other communities. This introspection causes separate communities to lose not only interest in communicating with each other, but, gradually, also the capacity to do so. In the end, each community develops a politics more or less based on its own identity and becomes reluctant to engage in a wider political process that sets out to reach a democratic accommodation between different groups.

Such a scenario appears to have risen in Northern Ireland. The demise of civil society into competing religious blocs has led to the emergence of Protestant- and Catholic-based politics. Little wonder that the compromises and concessions necessary for the two groups to resolve the problems of living together in the same territory are proving so elusive. Yet challenging these inward-looking communities of meaning is a key aspect of the struggle against social exclusion, for they give rise to a dialogue on poverty and deprivation which is ultimately sectarian.

Consider fair employment, one of the most contentious issues in Northern Ireland political life. For the most part, the Fair Employment Act (1989) is firmly rooted in the liberal citizenship tradition: the aim is to secure the reduction of discrimination against individuals by eliminating from decision-making any consideration based on religion. Any obligations imposed on enterprises, and the duties and responsibilities conferred upon fair employment institutions, are designed to uphold individual liberties and rights. As a result, the legislation can be regarded as symmetrical: both groups, Catholics and Protestants, are equally protected.

But the individualist conception of citizenship underpinning the act fits uneasily with the civil republican notions of citizenship emerging from each religious camp. Take the Catholic community, for instance. While many individual Catholics have undoubtedly benefited from the anti-discrimination legislation, there is still widespread complaint that insufficient attention is being paid to ending the disadvantage of Catholics as a group. Thus all the political representatives of this community make the idea of ‘parity of esteem’ a central political demand.

A wide range of policies fell within the ambit of this catch-all term, including group justice measures which set out to redress structural imbalances between Catholics and Protestants and initiatives to give equal validation to Gaelic culture. In the abstract, ‘parity of esteem’ can be seen as a fulcrum to create an equilibrium between two different traditions in Northern Ireland. But, in the context of self-absorbed, antagonistic, community politics, such notions may not take such a benign form—easily slipping into a malign
campaign for the triumph of one group over another.

To prevent the malign scenario taking hold, social inclusion strategies must address the inward-looking character of each religious bloc. They must promote a politics of common understanding, so that both communities are sensitive to, and aware of, the demands of the other and are prepared genuinely to engage with one another.

A politics of common understanding is not about attempting to break up each community. Rather, it is about encouraging a dialogue between the two blocs which leads people to reflect on their experience in ways that ultimately alter the interpretative framework of their own community. It is about making communities more outward-looking, more amenable to change and compromise.

A politics of common understanding is not, at least in the first instance, about making specific policies and programmes, but about encouraging a process in which a new conversation is developed between the two groups. The object of this process is not simply to ensure that each community interacts with the other, but to create sufficient mutual tolerance for them to share the same territory and resource base.

For such a process to develop means promoting those institutions and arrangements that connect with each community but can stand apart from them as well. Schools are one such institution. One big issue here is not so much whether they are segregated or integrated but whether the system as a whole contributes to an evolutionary process that reduces religious polarisation. This involves exposing students to themes which, through reflection, discussion and debate, change the perception of not only individuals but communities themselves. Universities have a vital role in this area as well.

A second institution that straddles both communities is the trade union movement. For 25 years, organised labour was able to stand above the violence and maintain a semblance of unity in the workplace. By according to trade unions a central role in the social inclusion agenda, a vocabulary may be developed that is neither triumphalist nor sectarian. Voluntary groups may be able to perform a similar role.

Encouraging conversations and social interactions between the two communities will lead to each being less likely to pursue its own, exclusivist programme. But to give impetus to such a cross-community dialogue requires the government to end its closed system of decision-making. The politics of common understanding will wither on the vine if the present bureaucratic method of government persists.

Footnotes

1 those in the labour force but not in paid employment
3 See the remarks by Rory O'Donnell on the republic's experience, in New Thinking for New Times, pp 24-33.
4 an idea developed by Bronagh Hinds, director of
the Ulster People’s College

5 *Irish Times*, March 9th 1995

6 *Irish News*, September 20th 1995; the report also suggested that a Central Community Relations Unit request that a £50 annual million budget be allocated to TSN had been turned down

7 *Tackling Poverty: A Priority for Peace*, available from the CPA, 8 Charlemont Street, Dublin 2


9 *Report on Wealth Creation and Cohesion in a Free Society*, available from Liberal Democrat Publications, 8 Fordington Green, Dorset


11 See note 2 in the introduction.

12 ibid, p4


14 ibid, p176


Definition
Social exclusion is a set of processes, including within the labour market and the welfare system, by which individuals, households, communities or even whole social groups are pushed towards or kept to the margins of society. It encompasses not only material deprivation but more broadly the denial of opportunities to participate fully in social and civil life.

Unemployment
Significant stimulation of employment growth requires macro-economic intervention but there is limited scope for this at regional level. More equitable distribution of resources could be achieved by:

- Making hiring of the long-term unemployed attractive to employers by subsidising it, with the money coming from a regional tax levy (see below).
- Rendering employment and training grants conditional on employers drawing a percentage of their workforce from the long-term unemployed.
- Ensuring programmes for the long-term unemployed, like the Community Work Programme, are adequately targeted at the most disadvantaged and embrace a formal qualification.

Welfare
The prevalence of unemployment and poverty traps in Northern Ireland make the case for piloting reforms of the benefits system in the region, to reduce disincentives to work:

- Allowing claimants and their partners to earn more without benefits being withdrawn.
- Maintaining ‘passported’ benefits, such as free school meals and exemption from health charges, to continue for some time after employment is gained.
- Creating more flexible and comprehensive childcare allowances, encompassing informal childcare arrangements, to help single parents especially to take up employment.

Pay and taxation
There should be no reduction in the Westminster subvention, but it is neither credible nor realistic to argue for extra public
cash to solve the region’s unemployment and poverty problems. Consideration should be given to redistribution within the region by:

- Reintroducing a 60 per cent top tax rate or establishing a new, hypothecated ‘solidarity tax’.
- These to support a regional employment fund to subsidise work for the long-term unemployed, or associational projects addressing social exclusion.
- Solidarity bargaining by the trade unions to protect jobs rather than raise wages.

**Education**

*The system is marked by the divergent paths of those who work their way right it, and who are most heavily subsidised, and those who fail at the first hurdle, and whose employment prospects are grim. Radical reforms are needed, such as:*

- Scrapping the 11-plus.
- Reversing the order of spending priorities to concentrate on early-years education, with smaller class sizes and increased diagnostic testing.
- Introducing a new contract with children, guaranteeing that no child will leave primary school unable to read and write, and establishing real parental choice.

**Health**

*Northern Ireland has disturbing mortality and morbidity rates, markedly linked to social deprivation. Improving public health is a complex task, requiring a focus on the most disadvantaged:*

- Redressing the minuscule proportion of health spending allocated to health promotion.
- Developing partnerships with disadvantaged individuals and communities, which recognise the reality of the circumstances in which they live, their views about health and the priority they accord it.
- Linking health promotion to community development, with a recognition that professionals do not have a monopoly on wisdom.

**Society and democracy**

*Policy strategies for social inclusion which do not attend to issues of democracy will not be effective. New political institutions are needed which address the democratic deficit and provide mechanisms for the socially excluded to have a voice, including an expanded system of social partnership:*

- Revamping the Northern Ireland Economic Council and establishing a broader body similar to the National Economic and Social Forum in the republic, a Northern Ireland Economic and Social Forum (NIESF).
- Establishing quotas for women on quangos, and more generally opening up these proliferating bodies to greater transparency and diversity.
- Devolving power, where possible, to non-governmental organisations, and affording the unemployed representation in consultative and decision-making bodies.
Overall

Northern Ireland faces severe constraints in tackling social exclusion—the lack of regional autonomy, the limits to the subvention and the global nature of the problem. But reallocation of budgets in the wake of the ceasefires, away from ‘law and order’, and an emphasis on processes as well as outcomes can create room for a radical strategy:

• Scrapping the existing system of public expenditure priorities—which prioritise ‘defeating terrorism’—and establishing a new policy focus, Addressing Social Exclusion.

• Creating a new programme, Establishing Social Renewal, with the DHSS acting as lead department, funded from ring-fenced savings from the ‘law and order’ budget, which should be halved within five years.

• Ensuring the widest debate about these proposals, managed by the NIEC and proposed NIESF (see above), with, wherever possible, devolution of administration of projects to non-governmental organisations.

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