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cc Mr Jardine

MR MacCANN

REVIEW OF COMMUNITY RELATIONS POLICY

1. Edgar copied me your minute of 15 November 2001 and asked me to trawl NISRA colleagues on their views on the types and amount of additional costs associated with a polarised society in Northern Ireland. I am sorry I was unable to get by the 5 December as requested.
2. Views from around NISRA highlight the difficulties with such an exercise more so than producing specific examples or amounts of PE. The most obvious example of additional costs associated with a divided society would be in relation to the cost of policing sectarian and inter-communal strife. It is of course difficult to apportion a part of the overall policing costs to this area of work without more detailed analysis. Another example is in segregated education. Again, it is difficult to quantify the cost associated with loss of economies of scale. A third example emerged from the Health area where there are undoubtedly increased costs due to health impacts of living in sectarian interfaces (eg drug prescriptions). Another example of additional costs which has been suggested is the cost of inefficiency in delaying or preventing reforms in Health and Social Services.

Housing too represents an area where additional PE costs will undoubtedly be associated with demand for social housing in specific locations, associated the problem of voids at sectarian interfaces.

3. Unfortunately, this assessment is somewhat qualitative, as no authoritative quantitative assessments have been provided to date.
4. I hope this is helpful nonetheless.

[Signed]

Gerard Mulligan

G MULLIGAN

Public Expenditure Impact of Polarised Society

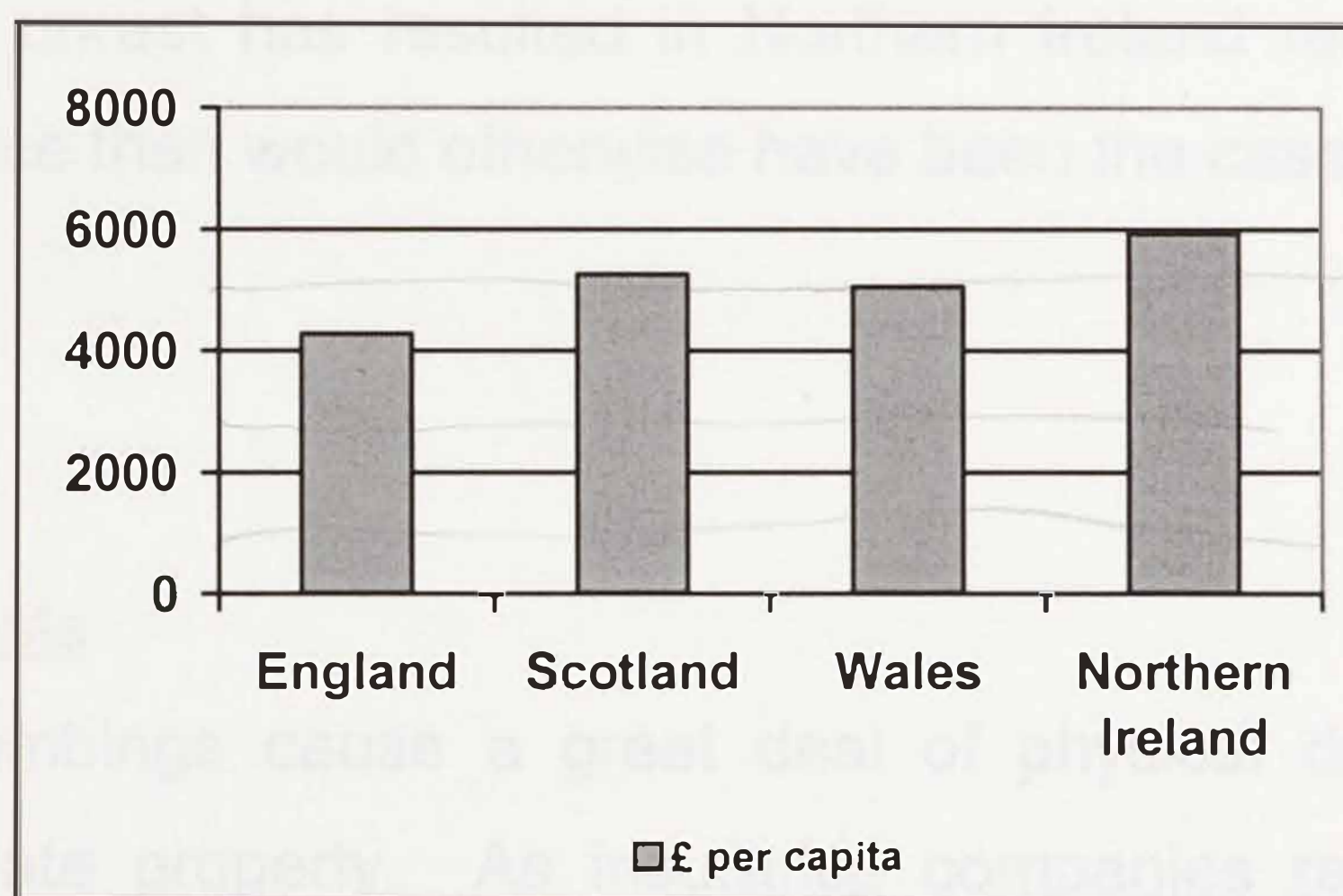
Northern Ireland is a deeply divided society. The most obvious expression of this division is the violence and civil unrest which has blighted the province since 1969. V Three decades of political unrest have created two distinct and separate communities in Northern Ireland. Each community has its own separate education system, bus routes, community centres and doctor surgeries. The polarisation within these communities is often surprisingly extreme, a recent study in Belfast found that some mothers were prepared to forgo antinatal care for their children in order to avoid attending a clinic located within an area populated by a different religious group.

This paper will identify and, where possible, quantify the impact on Public Expenditure of providing services to a polarised and separate community. The paper is presented in four sections. The first section provides a brief overview of the public expenditure system in Northern Ireland. The remaining three sections outline the direct costs, additional costs and duplication costs of public service provision in a divided society.

Public Expenditure

Public Expenditure on a per capita basis is higher in Northern Ireland than in any other country of the United Kingdom (Table 1)

Identifiable Total Managed Expenditure by Country
1999-2000



In 1999/00 the Northern Ireland Executive had the responsibility for allocating a budget of £xxxm across expenditure areas. In addition to this funding Northern Ireland also received £xxxm through the Northern Ireland Office, which handles reserved issues such as Policing, the Prison and Forensic Services. Northern Ireland therefore receives xx% of UK expenditure.

HM Treasury allocates Public Expenditure on the basis of parity of public service provision in each region of the UK. Northern Ireland's relative need for public expenditure is higher than the UK average its population profile contains many characteristics which increase to cost of public service provision, for example age structure, employment levels, and deprivation.

Direct Costs

The direct, and most obvious, costs of a polarised community are those caused by civil unrest. The majority of these additional costs are felt within the ring fenced budget of the Northern Ireland Office (NIO).

Police force

Prolonged civil unrest has resulted in Northern Ireland requiring a much larger police force than would otherwise have been the case.

Prisons

Construction costs

Rioting and bombings cause a great deal of physical damage to both public and private property. As insurance companies rarely cover civil unrest and acts of terrorism, the Northern Ireland Office pays compensation for both personal injuries and property damages as a result of civil unrest. The Department of the Environment (DoE) set aside £250,000 per year in their budget to repair damage caused to road surfaces during civil disturbances.

Death and Injury

The most serious impact of civil unrest is injury and loss of life. RUC, Army and UDR/RIR injuries are treated outside HPSS facilities and budget and are probably not the responsibility of the devolved administration. In 2000/01 there were 486 civilian injuries as a result of civil disturbances. When compared to 332,940 inpatient deaths and discharges for Northern Ireland in that year it can be seen that this does not represent a substantial cost to the Northern Ireland health Service.

Duplicating Services

Northern Ireland society has evolved into two very distinct communities. In certain areas of Northern Ireland this polarisation has become particularly pronounced. A recent study carried out by the University of Ulster found that 78% of Catholics and 76.6% of Protestants in Belfast would not work in an area dominated by another religion. This limited mobility has resulted in many services, which could otherwise have operated from a single location, being duplicated in each community. The paragraphs below highlight duplicated services within effected Northern Ireland departments.

Education

Northern Ireland has two main education systems, Catholic maintained schools and state schools. [M Foley].

Health and Social Services

Secondary care/Community Health centres would be more likely to suffer duplication given that they cover larger catchment areas which may not be containable within existing societal divides. North and West Belfast is usually cited as a Trust area which has to incur this type of duplication.

Environment

A polarised society limits the mobility of its inhabitants. Bus routes often must be mapped out to avoid passing through two areas of differing religious affiliation.