

Prosperity – A Part of Peace? Learning from the Economic Experience of Peace II

Not being in government for two and a half years now I have no close knowledge from that side of the fence as to the progress on the Peace programmes.

Therefore, what I have decided to do is to offer some observations about the economy and its relationship to conflict resolution.

Viewed generally we live in an economy of contradictions. In terms of its visible features I think we can say the following are evident:

We have never had more people employed.

Indeed shortages in many areas have led to a significant increase in migrant labour.

We have never had more disposable income.

As a result we have never seen more houses being constructed.

We have never had more cars being bought, more second homes being purchased, more holidays being taken, more luxury goods being purchased.

Yet we have many people living in varying degrees of poverty. We have a divide marked on one side with many who enjoy degrees of wealth undreamt of thirty or even twenty years ago. This experience of wealth and what it can bring leaves many on that side of the divide almost unaware of the poverty on the other.

Those who are on that other side, if not completely dispossessed then live very much on the margins from where they can see the apparent quality of life that wealth brings.

Among those on the margins we still have many people in long-term unemployment and many others economically inactive who say they would work if it was available and whose talents do not achieve their full potential.

Looked at generally then I would argue that none of these features are peculiar to any society emerging from conflict. They are in fact features of many neighbouring economies that don't experience conflict and division on our scale.

Deprived urban communities where much of twenty-first century poverty is concentrated are a feature of all European cities – whether these be Belfast, Derry, Dublin, London, Liverpool or Paris.

Long-term unemployment is also a feature of other advanced societies – in some the scale is higher than in ours, in others lower.

Also, the economy of NI is not producing all of the wealth at our disposal and so is not self-sustaining. It is an economy highly dependent on transfers from wealth generated elsewhere, mainly in the wealthiest parts of the UK and, as in the Peace programmes, in wealthiest parts of the EU. Such transfers or subsidies are usually channelled through the public sector.

But our dependence on such subsidies is a feature which we share with many other regional economies - the North-East and North-West of England, parts of Wales and Scotland, the west of Ireland.

Yet despite these commonalities we tend to think that many of our economic ills are intrinsically linked to our conflict.

I'm not saying there is no link but what I am saying is that the link may not be as strong or as direct as we sometimes claim.

Yes as we lost our traditional manufacturing base we say the troubles explain why we did not replace it with late twentieth century enterprises such as those we established in the South's electronic and pharmaceutical enterprises, for example. But this also has been a feature elsewhere especially in regions like the NE of England.

Of course the troubles inhibited inward investment that could have alleviated this problem, though I tend to think that a slowness to respond to the challenge to attract that investment and a less favourable tax corporate regime than in the South also had a lot to do with that situation.

Also the troubles brought us an inflated security service that was well paid and provided alternatives to those who would have been badly affected by the loss of the traditional industries.

Furthermore the thirty years of open conflict reinforced the religious and political divide that is its root cause. This led to local communities becoming even more turned in on themselves and so more segregated than might otherwise have been the case and segregation is increasing. An important effect is that many small and medium sized businesses develop within rather than across our separate communities and so lose opportunities to harness greater potential, which such cross-fertilisation would bring.

So what should the Peace programmes have achieved in the face of a situation where some of its major characteristics were and still are beyond the control and even influence of local policies.

I believe these programmes have created a new vibrancy within and between many local communities acting as catalysts for new enterprises many of which should represent the harnessing of our combined energy, resources and talent. Some initiatives developed with Peace funding are excellent examples of this, but far too many are single community in the focus and outcomes.

But even if we do expand the scale of cross-community initiative will it happen at a pace to counter the continuing tensions and manifestations of conflict, albeit at low level – buses bringing teenagers to a Saturday league match stoned, children attacking each other at school bus stops because they come from different schools; adults in sectarian and racist attacks. This is not happening because people are hanging about unemployed. Such incidents involve people who are employed but who are still imbued with sectarian hatred.

As in other societies prosperity has not reduced sectarian or racist tensions, let alone eliminated them.

These tensions remain the fuse from which another 'troubles' could be enflamed, irrespective of the levels of prosperity that may exist.

So, while the drive to raise the economic development of communities must be continued, I believe that it is in efforts aimed at the construction of a socially just society operating on a human rights and exclusively democratic basis where the determining effects for the future peace of our society are to be found.