

**A Fresh Start for Equality?  
The Equality Impacts of the Stormont  
House Agreement on the  
‘Two Main Communities’**

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**An Action Research Intervention**

**Executive Summary and  
Recommendations**

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An Roinn Gnóthaí Eachtracha  
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## EXECUTIVE SUMMARY

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1. This research addresses the question of the equality impacts of the Stormont House Agreement (SHA) and the recent 'A Fresh Start' agreement. It focuses on these impacts with relation to the 'two main communities in Northern Ireland' and addresses wider equality issues - including gender and ethnicity - as these intersect with Protestant and Catholic differences. As a piece of 'action research' it uses its partnership with the Equality Coalition to ground its analysis in the experience of many of those organisations closest to the ongoing efforts for equality in Northern Ireland.
2. The SHA was outwardly aimed at addressing difficulties in the peace settlement in Northern Ireland that were threatening stability. In the words of the UK government, it aimed at: 'providing a new approach to some of the most difficult issues left over from Northern Ireland's past', and as offering 'a new start and a far more hopeful future' although it was recognised that its implementation would require 'hard work'.<sup>1</sup> The British Secretary of State Theresa Villiers suggested that the Fresh Start deal represented a "fresh start for Northern Ireland's devolved institutions" going a long way to implement the Stormont House Agreement and dealing with paramilitary activity and that it would help to give the Northern Ireland Executive 'a stable, sustainable budget'.<sup>2</sup>
3. Ostensibly the SHA was to deal with accepted 'unfinished business' from the Belfast/Good Friday Agreement (GFA) including flags, parades and protests and dealing with the past. However, the greater part of the text of the SHA and its financial annex provide for significant changes to the economic and public sector model in Northern Ireland including: 'public sector reform and restructuring'; a voluntary exit scheme for an estimated 20,000 jobs in the public sector; implementation of wide-reaching changes to the welfare state introduced in Great Britain under the Welfare Reform Act 2012; and devolution of powers over Corporation Tax. The Organization for Economic Cooperation and Development (OECD), an international organisation, was integrated as having a strategic role in reviewing this process.
4. These financial measures were less a matter of a 'new approach to the most difficult issues' from Northern Ireland's past than an attempt to address the difficulty the NI Executive had in agreeing on whether and how to implement central government 'austerity measures' (that is, cuts to welfare and public spending budgets) in the Northern Irish context.

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<sup>1</sup> <https://www.gov.uk/government/publications/the-stormont-house-agreement>

<sup>2</sup> BBC News 2015. 'Villiers: Deal is a 'fresh start' for Northern Ireland' <http://www.bbc.co.uk/news/uk-northern-ireland-34848804>

Disagreements over implementation meant that, unlike the Haass-O'Sullivan talks a year earlier, 'austerity' now provided one of the main threats to the political institutions, explaining the introduction of these measures.

5. These financial provisions, however, failed to adequately address another key piece of 'unfinished business' from the GFA – that is, the strong commitment throughout the Agreement to delivering equality between the two main communities (and others) in Northern Ireland. In this report, we suggest that this risks not just failing to 'complete' the Agreement, but undermining one of its most central tenets: the need to provide for equality. Indeed, we contend that providing for equality at the heart of government is fundamental to any lasting peaceful political settlement in Northern Ireland.
6. The research reviews existing data on the state of equality between the two main communities in Northern Ireland with a particular focus on trends over time. Such statistics as exist show that there have been clear equality improvements in terms of the contemporary labour market, but inequalities remain elsewhere. Notably:
  - a. The unemployment rate in 1992 for Protestants was 9% lower than it was for Catholics, while in 2014, it was only 2% lower.
  - b. The gap between Protestant and Catholic working age *economic activity* reduced from 11% in 1992 to 1% in 2014.
  - c. The gap between Protestant and Catholic working age *economic inactivity* reduced from 10% in 1992 to 1% in 2014.
  - d. The unemployment differential has decreased in the longer term - for example, in 1992 the ratio of Catholics unemployed to Protestants was 2 (2.4 for males, and 1.3 for females), while by 2014 it was 1.3 (1.2 for males and 1.6 for females).
  - e. However in other areas inequalities remain, the poverty gap between Catholics and Protestants has widened since 2002, with 32.5% of Catholics in poverty today compared to 18.5% of Protestants;
  - f. In the crucial area of social security there is evidence of widespread inequality within both Protestant and Catholic communities as well as disproportionate poverty and disadvantage of the Catholic community. As Participation and Practice of Rights (PPR) notes: 'Of the top 10 most deprived areas of Northern Ireland, 8 of those areas have a population that is at least 90% Catholic. Similarly, of the top 50 most deprived areas in Northern Ireland, 38 of those areas have populations that are at least 90% Catholic'.
  - g. The issue of equality and inequality is also becoming an issue for the Protestant community. Alongside the focus on the experience of some Protestants in education, there is evidence of growing Protestant disadvantage in other areas with increasing rates of economic inactivity and decreasing rates of economic activity.

7. In short, Northern Ireland remains some distance away from the point at which the equality commitments of the GFA towards the two main communities will have been delivered - the point at which there is no significant sectarian differential across major social indices. As Paul Nolan's recent *Peace Monitoring Report* for the Community Relations Council summarises:

Catholics still experience more economic and social disadvantage than Protestants. According to the Labour Force Survey they are more likely to be unemployed, according to the census they are more likely to be in poor health, and, according to the Family Resources Survey, they out-score Protestants on almost every measure of social deprivation.

8. We also suggest that the research shows real deficits in both how public institutions are monitoring sectarian differentials and the transparency of data. This point has been taken up by the UK Statistics Agency. Monitoring and data are fundamental to understanding and addressing inequality in Northern Ireland.
9. Interestingly and controversially, data also suggests that an emerging demographic transition in Northern Ireland creates a new context for equality work as well as new challenges for the proposals in the SHA. The state is now constituted by three numerical minorities – Protestant, Catholic and ‘Other’ – and this reality provides a key new context that reframes the traditional binaries of Protestant/Catholic and majority/minority. For example, the most recent figures from NISRA reveal that 10% of births in Northern Ireland are from mothers from neither the UK nor Ireland (about half were from ‘EU A8’ countries and half from the ‘rest of the world’ (Northern Ireland Statistics and Research Agency (NISRA), ‘Births in Northern Ireland, 2013’). We suggest that neither the SHA/Fresh Start, nor existing gathering of data, nor service provision planning, sufficiently considers how this new reality should re-shape the practices of public institutions. The reality of large-scale financial restructuring requires that careful planning is needed to ensure equality commitments are still achieved but also that new inequalities are not introduced.
10. The report emphasises that any gains in equality were achieved in the context of sustained state intervention with international oversight. The report recognises that it is difficult to predict the impact of the SHA/Fresh Start in the absence of clarity around how the processes set out therein will unfold. It also recognises that economic downturns do not guarantee inequality or indeed require inequality. However, in our view the data indicates that the economic model made explicit in the financial annex to the SHA is likely to deepen and widen inequality – both generally (between richer and poorer people) and in terms of the differences between Protestants and Catholics.

There is no evidence of any ‘equality-proofing’ of the measures proposed in the SHA and good reason to assume they are more likely to exacerbate rather than ameliorate inequalities, and even reverse some of the recent equality gains. The ‘Fresh Start’ agreement did not change this.

11. The analysis focuses on the equality implications of the SHA as modified by ‘A Fresh Start’. Our most crucial conclusion focuses on an *act of omission*: the absence of any formal commitments on equality between the two main communities *at all*. There is no evidence of effective equality-proofing of any of the SHA provisions. This approach is both wrong in principle and likely to lead to inequalities in practice. The whole emphasis of equality intervention from the GFA onwards has been premised on the commitment to *equality-proof* – to anticipate the consequences of public policy that may impact negatively on equality and thus avoid the negative political and social consequences of such inequality. The absence of equality commitments in the SHA implies very directly that equality dimensions of the peace process and the GFA are ‘finished business’. A review of the evidence on the current state of equality between the two communities establishes that this is palpably not the case. While substantial progress on equality has been made in some areas, a great deal of work remains to be done in others. Furthermore, the economic package of SHA/Fresh Start if implemented without attention to equality appear likely to reintroduce inequalities between the two main communities, as well as widening economic gaps more generally.
  
12. At a broad structural level, the impact of the provisions is likely to impact negatively on areas of Northern Ireland that are disproportionately Catholic. Beyond this, the research makes it clear that it is impossible to offer definitive analysis of most of the actual equality outcomes of SHA ‘reforms’ until these are implemented. For example, we will not be able to ‘read’ the equality outcomes of the VES until the scheme is realised. It could potentially impact both negatively and positively on the differential between the two main communities. It will impact negatively on the availability of public sector jobs. It may well impact negatively on the capacity of the state to undertake equality work. Certainly most of the measures have worrying equality implications – this includes the broad sweep of ‘economic rebalancing’. Other provisions seem to entail an inevitable increase in inequality between the two main communities. For example, it is difficult to envisage a scenario in which welfare reform can do anything other than impact negatively and disproportionately on the Catholic community. There is clear evidence of a likely immiseration of children in general and a concomitant impact on Catholic families in particular.

13. Our report concludes that the decoupling of equality from peacebuilding marks a dangerous new juncture in the peace process. Sectarian inequality was a catalyst for instability in the past and it would be cavalier to assume that it no longer matters in Northern Ireland. In terms of the three ethnic blocs identified – Protestant, Catholic, and ‘Other’ – all have specific reason to need equality protections and therefore should be profoundly concerned with the absence of any equality agenda within the SHA/Fresh Start. More positively, each of these communities has a reason for a practical as well as a principled commitment to a renewed equality agenda grounded in the spirit and the letter of the GFA. As the GFA suggested, ‘a peaceful and just society would be the true memorial to the victims of violence’.

## RECOMMENDATIONS

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We suggest that if the SHA/Fresh Start is to be successful in stabilising the political institutions and ‘completing’ the peace process, the approach to public spending and austerity outlined in the SHA financial annex needs to be significantly revised in terms of the goals and gains of the GFA, as at present it is likely to be self-defeating. To that end, we make the following recommendations intended to re-centre equality in the processes emerging from the SHA, which we hope can frame public deliberation of how best to move forward in a challenging economic context. These are presented to the Equality Coalition and other actors as a framework for discussion and development:

1. Local political actors, alongside the UK and Irish Government, and relevant international actors, should make a public political commitment to directly prioritise and fix structural issues which are prolonging and deepening inequality, deprivation and poverty in the most deprived areas of NI.
2. There should be full proofing of the SHA/Fresh Start financial package in terms of equality. This could take the form of a full Equality Impact Assessment by DFP – as the lead department. This should both evidence how the different proposals of the SHA will impact on existing inequalities - positively or negatively - and identify mitigating measures/alternative proposals in line with statutory guidance where these fail to address any existing inequalities. This would also form a baseline against which the next programme for government should be developed.
3. When the parties are preparing the next programme for government in particular, issues relating to the implementation of welfare cuts, full anticipation and mitigation of equality issues, both in terms of the impact on the different groups in Northern Ireland and in terms of the impact on the least well off, should be introduced as an integral part of the programme of government.
4. There should be an external audit and advice on transparency of statistics within public sector workforces, broken down by grades, to inform the process. In particular, the Labour Force Survey should follow up questions regarding religion/community background to enable a proxy indicator to be used - as in the census - to ensure inequalities are not being missed and give full detail to the Protestant/Catholic/Other categories.
5. There should be pre-modelled figures for planned cuts which would provide a basis for comparing the equality impact of different forms of severance in terms of (a) impact on structural transfer of wealth through public money, and (b) impact on relevant work force.

6. The Executive should develop a revised anti-poverty strategy on the basis of objective need –as characterised in the St Andrews Agreement - which deals with how need can be targeted in an era of cut-backs.
7. There should be a review of fair employment laws to ensure that they fully permit approaches to restructuring and severance that are targeted to avoiding reintroducing sectarian differentials in work forces, even for employers whose work force is currently balanced. The Equality Commission should publish clear guidance on good practice and affirmative action when downsizing.
8. There should be public civic dialogue with OECD, in terms of the relationship between the reduction of the public sector and Northern Ireland’s particular post-agreement political settlement that understands how OECD recommendations aim to ensure that new inter and intra community equality differentials are not perpetuated or exacerbated.
9. There should be a new section 75 appraisal of key policies in the areas of public services, health, and education, as regards how to service a broader community made up of three distinct ethnic segments, none of which is in a majority, and the extent that this requires new approaches to housing stock and so on. Here the interventions of key ‘guarantors’ of equality in the GFA have been ignored. For example, two separate UN interventions, Council of Europe HR Commissioner, NICCY and NIHRC have called for housing inequalities to be addressed, yet they are not even officially recognised by the governments and relevant agencies. The depth of this denial makes a mockery of any previous or subsequent commitments to target inequality.
10. Continued pressure on equality should be asserted by all the Agreement’s guarantors. In particular:
  - a. The British and Irish governments should publicly recognise that equality is itself a piece of ‘unfinished business’ and commit to approaches that will ensure that equality gains are not undone but are built on, even in the difficult context of shrinking public resources.
  - b. Those who have provided important pressure for equality internationally, from the EU and the UN human rights bodies to the MacBride signatories should recognise and address the current threat to equality.

Finally, given our last recommendation, it seems apposite to suggest that in the event of any suspension of the Executive or any of its welfare-related powers, the two governments move to a fundamental British and Irish Review of the GFA as provided for in the event of the Agreement’s break-down by the GFA itself.

This review should ensure, as one of its key purposes, that any welfare cuts and 'austerity' policies imposed during any new direct rule period which have capacity to impact on equality between 'the two main communities' are dealt with on the same bi-lateral (and in UK Parliament non-partisan) basis as the Agreement. We suggest this type of wider approach to any future impasse within the Northern Ireland Executive would be fundamental to a more lasting stability.



The full research report can be found on the Equality Coalition website.



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