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MR Wilson 7/1
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ROM: D A L COOKE
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20 DECEMBER 1990

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-7 JAN 1991
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We should retain this on
a First Day Briefing file

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- cc PS/Paymaster General (L&B) - B
- PS/MofS (L&B) - B
- PS/Ministers (L&B) - B&M
- PS/PUS (L&B) - B
- PS/Sir K Bloomfield - B
- NI Perm Secs - M
- Mr Pilling - B
- Mr Ledlie - B
- Mr Alston - B
- Mr Chesterton - B
- Mr Thomas - B
- Mr A P Wilson - B
- Mr Hamilton 4/1 - B
- Mr D J R Hill - B
- Mr D A Hill - B
- Mr Bell - B

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PS/SofS (L*&B)

* with folder

NORTHERN IRELAND: BRIEFING FOR THE PRIME MINISTER

As requested in Mr Powell's letter of 15 December, I attach a full briefing folder on Northern Ireland for the Prime Minister, together with a draft Private Secretary covering letter and a short summary statement of the NIO's objectives. PUS, who has seen this material, had a word today with Mr Powell and, in the light of that, thinks it should fit the Bill.

2. The folder is essentially an updated and slightly weeded version of the first day briefing material prepared at the end of last month. The key brief on political development has been updated. But we may need to let you have a further version on Friday before this material goes off to No 10. I should be grateful if we could touch base on this before the letter is sent. The statement of objectives is a compressed version of that in MIS 7, which is currently being revised. (It also takes in some of the language of the recent "statement of Security Policy".) It is not meant to pre-empt the current revision exercise.

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The material in the folder concentrates on setting the key policy issues in their background context. We have not attempted in what is essentially introductory briefing to cover some of the more radical or speculative policy options. Mr Powell has confirmed that the Prime Minister is not at this stage looking for anything other than background material, in some depth. But the draft covering letter leaves open the possibility of our volunteering further material on particular topics in due course.

(SIGNED)

D A L COOKE
SIL
20 DECEMBER 1990
OAB EXT 6587

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LETTER

Charles Powell Esq
Private Secretary to the
Prime Minister
10 Downing Street
LONDON
SW1A 2AA

hcc PS/PUS
PS/Sir K Bloomfield
Mr Hamilton
Mr D Cooke

for signature by: MR PAWSON

NORTHERN IRELAND

Thank you for your letter of 15 December. As requested, I am enclosing a full briefing folder on Northern Ireland for the Prime Minister. As an annex to this letter I am also enclosing a brief statement of the NIO's strategic objectives. (A fuller version used in the Department's strategic planning cycle is currently being revised.)

The main briefs (A1-A9) are flagged in blue. (The key brief on political development is at A2.) In case the Prime Minister has time to look at any further material the folder also contains some supplementary briefs (B1-B18), including some historical material (B17-B18); some background documents (C1-C7); and, at the beginning, a map and some key facts and figures.

The material in the folder concentrates on setting the key policy issues in their background context. It does not of course deal in all cases with the full range of possible policy options. We should be happy to provide further material on particular topics if the Prime Minister would find that helpful.

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ANNEX

STRATEGIC OBJECTIVES FOR THE NORTHERN IRELAND OFFICE

1. The key strategic objectives of the NIO are to
 - (i) defeat terrorism; and
 - (ii) promote the political, economic and social well-being of the Province.

2. In pursuing those objectives the NIO will seek to
 - (i) enlist the support of all sections of the community for policies directed to those ends;
 - (ii) provide the legal framework within which the security forces can act to defeat terrorism;
 - (iii) maintain the rule of law;
 - (iv) ensure that the police, supported by the armed forces, have the resources they need to undertake their difficult and dangerous work on behalf of the whole community;
 - (v) ensure that all the people of Northern Ireland are free to express their political opinions without inhibition, fear of discrimination or reprisal;
 - (vi) recognise the vital part played by maintaining good relations with the Government of the Republic of Ireland;

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(vii) implement effective measures in the political, social and economic fields, designed to promote equality of treatment, economic well-being and stable democratic institutions;

(viii) recognise the inter-dependence of law and order, politics and economic and social affairs;

(ix) ensure that the wider policy objectives of the UK Government, including those in the economic and social fields, are pursued positively but sensitively in Northern Ireland; and

(x) promote the effective presentation of the full range of the Government's policies for Northern Ireland both domestically and abroad.

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THE COMMUNAL DIVIDE

Unionists and Nationalists

1. The partition of Ireland in 1920/21 which created Northern Ireland was wanted by very few people. Most Irishmen thought of Ireland as one geographical and political unit. The issue at stake was whether it should be ruled from London or Dublin. A minority - the Unionists, concentrated in the North East of the island - wanted Ireland to remain an integral part of the United Kingdom created in 1800. The majority of Irish people sought the replacement of British rule by a more or less independent Irish parliament and government. Partition, and the establishment of two Irish Parliaments - in Dublin and Belfast - was, therefore, a compromise designed to satisfy two powerful political movements - nationalism and unionism.
2. It is sometimes said that Ireland faces "two minority problems" - the minority position of unionists in the whole of the island and the minority position of nationalists in Northern Ireland. Partition sought to cope with the first problem and continues to be contested by many nationalists; the position of nationalists in Northern Ireland remains even more firmly on the agenda.

Historical Background

3. But the origins of the Northern Ireland problem have much deeper roots than the political events from the Home Rule

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controversies up to the partition of the island. Moving back several centuries, Ulster was the most Gaelic of the four Irish provinces; partly cut-off by geography - lakes, swamp, mountain and forest - from the rest of the island, it was the area where English authority had made least progress; its links with Scotland were in many respects stronger. The political upheavals of the 16th and particularly 17th centuries were crucial in ensuring that Ulster continued to develop differently from the rest of the island and became the most British part of Ireland.

4. The most significant influence was the process of planned and unplanned colonisation from Scotland and England, known as the Plantation of Ulster. This plantation was, however, incomplete; many of the native Irish remained and assimilation was insufficient, leaving Northern Ireland today with two separate but interlocked communities. To quote A T Q Stewart, the very essence of the Ulster question is not that the two communities could not live together but that they "do live together, and have done for centuries. They share the same homeland, and, like it or not, the two diametrically opposed political wills must co-exist on the same narrow ground".
5. The events of the 17th century left a powerful legacy which persists to this day in Northern Ireland - within the minority community, of foreign occupation and resentment at the loss of land and power and, within the majority community, of insecurity and fear of betrayal and massacre.
6. Ulster's differences were reinforced by the fact that it was the only part of Ireland to be industrialised in the

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19th century particularly through the rapid expansion of linen, shipbuilding, engineering and rope making. The area relied heavily on Great Britain for its markets and raw materials and its commercial links were with Merseyside and the Clyde rather than Dublin.

A Divided Society

7. Today, Northern Ireland remains a deeply divided society. From this division flows the continuing violence, the political instability and the poor image which NI presents to the rest of the world. The two sides attend different churches and schools, have different values, aspirations and traditions and celebrate different events from their shared history. Catholics vote by and large for nationalist or republican politicians while Protestants support unionist or loyalist candidates. Social segregation, outside middle class areas, always existed and has, particularly in urban areas, increased sharply since the start of the current "troubles". For many Catholics, their Irish identity (including the language) is very important and to be safeguarded. For many Protestants, their religious faith is at least as important as their British status and their defence against absorption into a Catholic Ireland. On both sides, the influence of the churches remains strong and there is a great deal of agreement on moral issues (like abortion and homosexuality); churchmen have a direct influence in political life - 3 of the current NI MPs are clergymen - and the Catholic Bishops at times adopt a high public profile on political issues.
8. Substantial progress has been made over the last two

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decades in meeting the real and perceived grievances of the minority - in reform of the electoral law, in housing (through the creation and subsequent work of the NI Housing Executive), in providing redress against maladministration, and - to a much lesser extent - in creating equality of opportunity in employment. The last remains a major issue since the ratio of Catholic to Protestants male unemployment is more than two to one; the reasons are however complex and extend beyond direct (or indirect) discrimination by Protestant employers; they include the location of employment opportunities, the variations in levels of skills and educational achievement, and the unwillingness of many Catholics to seek employment in certain areas and jobs (eg the security forces). Hence, however, the importance of the Fair Employment (NI) Act 1989, which is designed to ensure that there is full equality of opportunity in employment for all.

9. Northern Ireland's small size and population tends to disguise the complexity of its conflict. Almost every generalisation - including most of those made above - must be severely qualified. Despite the central divide, most people live routinely in contact with people from the other community. In most areas local people have developed relationships which effectively moderate and control the central conflict. Experiences of the conflict and of violence vary enormously in different localities. There is effective co-operation across the community in a number of fields, including most working places, higher education, the arts, social and sporting environments and voluntary organisations. Cross-religious contact is almost unavoidable, even between many who live in the

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segregated heartlands. As Professor J C Beckett put it, "they mingle with a consciousness of the differences between them".

The Importance of Improving Community Relations

10. The present situation might be more accurately described, not as the problem of Northern Ireland's divided society to which there is no one, grand solution, but as a series of inter-related problems on which progress might be made at varying rates. These problems include the obvious ones of accommodating the different political/constitutional aspirations and the need to overcome terrorist violence by means which do not themselves help to perpetuate the conflict. They include also the need to ensure that the two sides enjoy, and perceive themselves to enjoy, equality of opportunity and equity of treatment and to see that their different values and traditions are acknowledged and respected. Because of the complexity of the conflict, policies addressing different elements of the problem can sometimes seem to be in conflict with each other and thus help to perpetuate what Churchill called "the integrity of their quarrel".

11. It is important, however, that there should be a coherence and consistency to all the Government's policies towards Northern Ireland, whether political, security or economic. Central to all three areas of policy is the relationship between the two sides of the community - or 'two communities' - and the perceptions which determine that relationship, particularly the 'fairness' of the policies and actions of the authorities. It was in order "to ensure that at the very centre of the decision making

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process the crucial community relations issues in their widest sense are given the fullest possible consideration", that, in September 1987, the Central Community Relations Unit (CCRU) was created to advise the Secretary of State on all aspects of the relationship between the two sides of the community.

12. The Unit's role is three fold:-

- to exercise a challenge role within the system to ensure that the impact on community relations of major decisions is taken fully into account;
- to review from time to time major policies and programmes from the point of view of their effect on community relations (the Unit will, for example, be responsible for reviewing the effects of the 1989 Fair Employment Act); and
- to formulate and sponsor policies designed to improve community relations.

13. A programme of work is in hand to develop cross-community contact and co-operation, and to encourage mutual respect and understanding (see Annex for further detail). A further and perhaps more difficult objective, however, is to make faster progress in reducing the socio-economic differentials between the two sides of the community. There is evidence that the Catholic community continues to be at a disadvantage in areas such as employment, education and housing, although the civil rights grievances of the late 1960s were long ago dealt with. Work is in hand, under a Targeting Social Need (TSN)

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initiative, to tackle community differentials through better and sharper targeting of mainline expenditure programmes and by examining new and innovative ways of dealing with the problems. The priority of this work has been acknowledged by establishing TSN as the third Public Expenditure priority within the NI block.

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ANNEX

THE WORK OF THE CENTRAL COMMUNITY RELATIONS UNIT (CCRU)

1. The Unit is located within Central Secretariat in Stormont Castle and reports to the Secretary of State through one of his Ministerial team. The Unit is headed by Mr John Walker and advised by Professor J Darby, Head of the Centre for the Study of Conflict at the University of Ulster.
2. The broad objectives being developed by the Unit in its work are:-
 - to develop cross-community contact and co-operation;
 - to encourage the development of mutual respect and understanding; and
 - to ensure that both sides of the community enjoy equality of opportunity and equity of treatment.
3. In taking forward the first two objectives, a number of initiatives are already under way:-
 - a Northern Ireland Community Relations Council was established in January 1990, with Government backing, to provide support and assistance for all those working to develop community relations;

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- encouragement is being given for the expansion of cross-community contact at all levels, including the schools, youth and churches;
- in the new school curriculum all children will study education for mutual understanding and cultural heritage;
- a £1.5m Cultural Traditions Programme has been developed to explore how the existence of the different cultural traditions in NI can be handled in a way which is positive and constructive rather than threatening and divisive; the programme supports work in the schools, the arts, the museums and local heritage activities which is designed to widen appreciation of the richness of NI's cultural heritage; and
- financial assistance has been offered to District Councils where there is cross-party support for the development of a community relations programme in their districts. To date 14 out of the 26 Councils have submitted programmes and discussions are continuing with 7 others.

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BRIEF A5

A5 ECONOMIC AND SOCIAL POLICY

ECONOMIC BACKGROUND

1. Northern Ireland as a small open economy is particularly sensitive to economic events at national and international level. This was demonstrated forcibly during the recession at the beginning of the 1980s when NI, in conjunction with the rest of the UK and other industrialised countries, suffered a downturn in economic activity. The severity of the recession in NI was exemplified by the 15% fall in output of the production industries between 1979 and 1983. Over the same period, the total number of employees in employment declined by 7.3% from 534,590 to 495,360. In particular, the manufacturing and construction sectors were adversely affected with employment losses of 27% and 25% respectively.
2. As an integral part of the UK economy, Northern Ireland has shared in the subsequent recovery. During the 1980s, the growth of Northern Ireland's Gross Domestic Product (GDP) has been similar to that in the UK as a whole. However, GDP per capita in NI remains lower than in all GB regions.
3. The sequence of recovery in NI took a similar form to that at national level with a recovery in output leading to that of employment; both of which predated and contributed to a downward trend in unemployment.

Employment and Output

4. The number of employees in employment now (June 1990) stands at 525,590 with manufacturing accounting for 103,860 (or 20%) and the public sector for 204,019 (or 38.8%). The

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number of self-employed (including agriculture) is estimated at 58,100.

5. The number of employees in employment declined steadily from 1979 to 1986. Since then, however, it has been on a generally upward trend and has increased by 23,000 since the first quarter of 1987.
6. Growth in employment has been accompanied by growth in output, albeit lagging behind performance at national level. In Northern Ireland, manufacturing output has increased by 13% from 1985 to the second quarter of 1990. For the UK as a whole manufacturing output has increased by 21% over the same period.

Unemployment

7. Seasonally adjusted unemployment peaked in October 1986. Subsequently it has fallen by 30,000 and now (October 1990) stands at 95,300 or 13.7% of the workforce. Unemployment is now at its lowest level for over 8 years and has fallen in 42 or the last 48 months. Nevertheless, the NI figure compares with 8.8% in the North of England (the worst GB region) and 6.0% for the UK as a whole. Moreover there are sub-regions within Northern Ireland (such as the West of the Province and parts of inner Belfast) which have markedly higher unemployment rates than those for NI as a whole.
8. Some 52% of the total unemployed have been out of work for more than one year, and persons under 25 years of age account for around 27% of the total unemployment.

Government Economic Strategy

9. Northern Ireland is of course subject to the Government overall economic strategy for the United Kingdom as a whole with its emphasis on reduction of inflation and the improvement of competitiveness.

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