



SUB/00008/93
MC Gibson

24 May 1993

Minister: to note pl.

TO: PS/Mr Atkins (DED)

FROM: D Gibson

cc PS/Secretary of State (B&L)
PS/Mr Mates (DFP, B&L)
Mr Fell
Mr Loughran
Mr Murray
Mr Semple
Mr Dowdall
Mr Radcliffe
Mr Hatfull
Mr Maxwell
Mr MacCabe
Mr Hamilton
Mr Taggart
Mr Jelly
Mr McAleer
Mr McAuley
MC

FAIR EMPLOYMENT: REPORT BY MR JAAK VANDEMEULEBROUCKE, MEP

1. At the dinner in Belfast Castle which the Minister hosted on 11 May 1993, Mr Vandemeulebroucke put forward the view, which he had trailed several times during his visit, that EC funding of companies in Northern Ireland should be conditional upon their being given a clean bill of health by the Fair Employment Commission (FEC) in so far as their employment policies and practices were concerned.
2. While it is understandable that the EC might wish to link its funding to the receipt of such assurances, there are very real difficulties in putting in place the type of monitoring arrangements which would be necessary. A meeting with Bob Cooper, Chairman of the FEC, identified three major constraints:-
 - (i) having to examine, and report on, firms qualifying for EC grant assistance would divert the FEC from its planned programme of work;
 - (ii) it would place on the FEC a judicial role and any resulting refusal of grant would almost certainly lead to appeal to the FET or High Court and be a further diversion for the FEC in carrying out its principal tasks; and



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(iii) the FEC's independence could be compromised if, having given an assurance about a particular company, it was then asked to support a complainant in taking action against it.

3. Aside from these difficulties, there are, of course, issues of additionality and the mechanisms for claiming EC grant assistance towards industrial development (usually retrospective).
4. Although he has not yet committed anything to paper, it is clear that Mr Vandemeulebroucke's ideas on EC funding are firming up quite quickly and so, rather than await his draft report, it is proposed to write to him about this matter and point out the problems referred to above. A draft letter is being discussed with Mr Cooper and consideration is being given to whether it should issue from his office rather than DED.
5. Evidence of a hardening in Mr Vandemeulebroucke's position came late on Friday afternoon when we received, via the NIO Press Office in London, a report from Belgium Reuters of a press conference given by Mr Vandemeulebroucke on the situation in Northern Ireland (Annex A). Apparently this was held on Wednesday, 19 May in Brussels.
6. Apart from the rather alarming description of life in Northern Ireland set out in the first sentence of the Reuters report, all of the figures quoted appear to have been taken from official sources and are not in themselves wrong. They are, however, very selective and quoted out of context and, in total, present a very unhelpful impression.
7. The report has not generated any media interest in Northern Ireland but should Ministers be asked to comment on it a line to take is set out below.



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Line to Take on Reuters report of Vandemeulebroucke press conference

1. The Government is fully committed to equality of opportunity in employment and to the elimination of all forms of unlawful discrimination.
2. The fair employment law in Northern Ireland was considerably strengthened in 1989 and is now the most radical anti-discrimination legislation anywhere in Europe.
3. During his recent visit to NI Mr Vandemeulebroucke was fully briefed on the implementation of the Fair Employment (NI) Act 1989.
4. Mr Vandemeulebroucke indicated that he would forward his draft report to the Government in due course.
5. The Government does not intend to make any comment until the full report has been received and there has been an opportunity to consider it in detail.

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ANNEX A

REPORT FROM BELGIAN REUTERS

In NI, where the civil war between Protestants and Catholics has caused thousands of deaths in 24 years, some 40 per cent of the population lives below the poverty line. And 70-80 per cent of those people are Catholics, according to the Euro-Deputy at a press conference on Wednesday in Brussels.

According to him, the Catholics are treated in an un-equal manner as much in the public as the private sector.

Official figures show that Catholics have twice the risk of Protestants of finding themselves unemployed. In the heart of the male Catholic population 23 per cent of people have no work against only nine per cent of Protestants.

14.6 per cent of the jobs of high officials are given to Catholics although they form 40 per cent of the NI population. According to the statistics compiled by M. Vandemeulebroucke.

He has edited in the name of the Commission of Social Affairs and Employment of the European Parliament a report on workplace discrimination in Northern Ireland. About 50 Euro MPs think that discussion of that kind is a violation of human rights. Legislation adopted since the 1970s by the British Govt (FE Act) to combat discrimination between Catholics and Protestants has only changed the situation a little bit according to M. Vand...

The number of Catholics given work in recent years has only grown by 0.4 per cent. The businesses which do not respect that legislation risk fines that could amount to 1.5 million francs (Belgian).

But despite the strengthening of the legislation London estimates that it is unlikely that the respective nos. of unemployed would be noticeably changed and that for several reasons.

In NI, a region of the European Community where salaries are at their lowest, there is little investment because of the political situation. Every year about 18,000 young people enter the job market, although the private and public sector only create 2,000 new jobs. Because of demographic factors the Catholics looking for work are more numerous and their training is generally less than that of Protestants.

But Govt has reduced its aid to Ulster in proportion to its increase in aid to the EC. According to M. Vand. the Community should right away impose conditions on the granting of its aid to NI which should be raised to 75,000 million francs (Belgian) for 1993-97.

In exchange for these funds the EC should demand the strict application of the FE Act and a timetable for the real establishment of the equality of opportunity between the representatives of the two communities.