

The Office of the First Minister and Deputy First Minister

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Dear

MacBRIDE PRINCIPLES

As discussed during our telephone conversation yesterday, I am writing to set out the Northern Ireland position and line to take in relation to the MacBride Principles

The Government's MacBride strategy was last reviewed in 1997. Prior to that, the strategy had been based on opposing MacBride legislation and lobbying against it. However in 1994/95 it became clear that the campaign was diminishing in effect and a new approach was required. In 1994, for example the four main Churches issued their 'Call for Fair Employment and Investment' which focussed on the positive effects of investment and jobs on fair employment.

The review was conducted by the then Department of Economic Development and options were put to Ministers in September 1997. Ministers decided that the confrontational approach no longer served a useful purpose. In future, we would characterise the campaign as irrelevant and we would publicise legislation and programmes being implemented to remedy imbalances in

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employment and unemployment. This would be the formal public stance of the Government. Privately we would run down the level of opposition to the campaign and lobby only against the legislation which carried the risk of real and substantial damage to our interests. This approach has not been amended by Ministers since September 1997.

The revised strategy was based on an approach which rested on the irrelevance of the MacBride principles in Northern Ireland at that time in the light of the strong fair employment legislation already in force and the programmes (such as TSN) being implemented to remedy imbalances in employment and unemployment. The arguments in support of this strategy have strengthened since 1997.

In 1998, following the SACHR report and the Employment Equality Review, the fair employment legislation was further strengthened and is, without doubt, the strongest such legislation in Europe. The Fair Employment and Treatment (Northern Ireland) Order 1998 extended workforce monitoring and it also introduced additional affirmative action provisions. This legislation is being vigorously enforced. In addition, the Targeting Social Need policy has been re-focussed and the 'New Targeting Social Need' policy encompasses tackling the problems of unemployment and increasing employability; tackling inequalities in areas such as health, housing and education and the problems of disadvantaged areas; and promoting social inclusion. Other programmes such as New Deal have also contributed to tackling unemployment. The success of these policies, at a time of considerable improvement in the Northern Ireland economy, aided by continuing investment, is demonstrated in improving statistics. There still remain the difficult issue of long term unemployment, but even here the overall level has significantly reduced in recent years. A Ministerially-led Task Force has recently been set up to examine what more

needs to be done to tackle unemployment, particularly long-term unemployment.

One of the difficulties of MacBride is that it creates the misguided impression that Northern Ireland is 'not a good place' to invest particularly for potential investors who may not be aware of the progress that has been made. However, in practice there is no evidence to suggest that adoption of MacBride Principles into State (or City/County) law has had a detrimental effect on individual firms in Northern Ireland. (MacBride legislation is currently 'live' in 18 states and some 46 companies operating in NI have shareholder resolutions.) The Churches' proposal that there should be an equal emphasis on the real value of investment in assisting fair employment addressed this misguided impression. North American firms continue to make a very valuable contribution to employment opportunities in Northern Ireland and their continuing support needs to be encouraged. In the last three years, NI has enjoyed record levels of investment from the USA, [much of it from States with MacBride legislation]. Firms are able to point to their implementation of the NI legislation. The IRRC is asked by some States to monitor these issues, and we are happy to facilitate this process.

As I mentioned yesterday, Mr Loughran, Head of the NI Civil Service and Secretary to the Executive Committee discussed the MacBride strategy with the Ambassador, Sir Christopher Meyer during a visit to Washington last week. Mr Loughran confirmed that the lead role on equality and employment issues rested with Belfast and agreed that this Department would provide an up-to-date guidance note for issue to posts in the USA which have an interest in MacBride. That note will issue shortly and will be supported by lines to take, background information on the MacBride Principles and statistics on the monitored workforce in Northern Ireland.

To summarise, the Ministerially agreed strategy has not changed. In 1999, it was used to good effect in California where a MacBride Bill was proposed and resulted in the amendment of the Bill to reflect that its implementation must be compatible with legislation in Northern Ireland. We believe that lobbying against the Ohio Bill would be counter-productive and I would strongly recommend that the 'California' approach is adopted in relation to the Ohio Bill. I would further suggest that the approach should seek to ensure that a general statement is included in the Bill along the lines of, "the State encourages investment in Northern Ireland which will assist in creating new employment opportunities". This sort of reference should be acceptable to all parties involved, or who perceive they may be affected by, the Bill.

I understand you are seeking views from FCO and UK-Rep on the issue raised by the Ohio post. In the light of our role in relation to fair employment issues I am grateful to you for agreeing to provide me with detail on your final draft advice to Martin Donnelly. I am of course, happy to provide you with more detailed briefing.

Yours sincerely

P McAULEY (Mrs)