

**Local Business, Local Peace:
the Peacebuilding Potential of the
Domestic Private Sector**

**Case study
Northern Ireland***

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Northern Ireland

The Confederation of British Industry and the Group of Seven: a marathon walk to peace in Northern Ireland

In the early 1990s, Northern Ireland's business community began publicly to acknowledge the explicit link between protracted sectarian conflict and slow economic growth. Companies in the Northern Ireland Confederation of British Industry (CBI) decided that, if they wanted to improve the economic situation, they would be obliged to engage in the Northern Ireland peace process. As the collective voice of regional business and an independent, non-party group, the CBI was well placed to lead a private sector peace initiative. Indeed, its stated objective – to 'help create and sustain the conditions in which business in the UK can compete and prosper' – was a compelling argument for it to enter the peace process.

Since 1991, the CBI had been engaged in partnership with the Irish Business and Employers Confederation to promote trade and business cooperation between Northern Ireland and the Republic of Ireland. Trade and business contacts have increased significantly in the past decade partly due to this initiative.

Business as a policy think-tank

In 1994, the Northern Ireland CBI produced a landmark publication, *Peace – A Challenging New Era*. Better known as the 'peace dividend paper', the document spelled out in detail the economic rationale for peace and soon became a reference point for the peace process. The media adopted the term and used it extensively, giving new momentum to the peace process. Articles began to focus on the economic importance of peace in Northern Ireland.¹

The CBI paper examined the negative impact of violence in Northern Ireland, identifying the following inhibitors to economic development:

- Increased security costs for the private sector, especially in sectors such as retail
- A commercial image problem that made foreign investors reluctant to invest and tourists reluctant to visit
- Emigration of some of Northern Ireland's brightest young people, including many would-be entrepreneurs.

The peace dividend paper argued that if violence ceased, the money currently spent on law, order and protective services (some \$1.42 billion in 1994) could be reinvested in other sectors. Increased funds for education and infrastructure, for instance, could have boosted economic growth further.

In the wake of the August 1994 ceasefire, media attention was fuelled by empirical evidence that supported the peace dividend theory. During this period of non-violence, tourism rose 20 percent in a year and unemployment dropped to 11.5 percent, its lowest level in 14 years.² Over the following six months, \$48 million in new investment ventures were announced.

Politicians in Northern Ireland began to recognise the political merit of calling for a peace dividend. Gerry Adams, leader of Sinn Fein, spoke of 'the importance of consolidating the peace process by ensuring that an economic peace dividend, in terms of jobs and investment, impacts on the day-to-day lives of citizens'.³

Thanks to the CBI, the idea of a peace dividend became integral to the vocabulary of peace in Northern Ireland. The new focus on economics turned into a reality the CBI's conviction that 'politicians should [look] for areas of agreement ... and build on these'.⁴ By approaching peace from a business angle, the CBI changed the terms of the debate and helped infuse new momentum into the peace process.

Business as a lobbying group

In 1996, two years after the peace dividend paper was published, the CBI joined with six other trade and business organisations to create the Group of Seven (GoS). The GoS included the CBI, the Hotel Federation, the Institute of Directors, the Northern Ireland Chamber of Commerce and Industry, the Northern Ireland Growth Challenge, the Northern Ireland Economic Council and the Northern Ireland Committee of the Irish Congress of Trade Unions. The Federation of Small Businesses also joined. As a collective voice of Northern Irish economic interests, the GoS was endowed with considerable authority which it used to advance one principal message: Northern Ireland must make a 'stark choice' between a future of peace and prosperity and a destiny as 'one of the world's most irredeemable trouble spots'.⁵

In October 1996, the GoS invited representatives of all nine political parties

involved in the peace talks to a meeting in Belfast. Collective meetings, rather than individual ones, mirrored the GoS strategy of political cooperation and impartiality. At the meeting, the GoS had two main objectives:

- To present the economic rationale for peace, discussing its importance for economic growth and prosperity
- To urge political parties to fortify their efforts for peace.

In a subsequent press release, the GoS said it had emphasised ‘how catastrophic it would be for the economy and for every aspect of life in Northern Ireland if the current talks were to collapse’. It also asked the parties to seek new solutions to problems that had hitherto proved intractable.⁶

Although the Belfast meeting provoked politically motivated complaints, it compelled political leaders to address the challenges of peace and economic growth in a holistic manner for the first time. Over the next 21 months, the GoS held five further meetings with the various political parties, contributing its input to the political debate. In April 1998, David Trimble, lead of the Ulster Unionist Party, and John Hume, head of the Social Democratic and Labour Party, announced the Good Friday Agreement, supported by eight political parties and the Irish and UK governments. The agreement set out the framework for Northern Ireland’s social, economic and political future.

During the July 1998 Drumcree standoff, the GoS became even more closely involved in the process of political mediation.⁷ The Group by then possessed both the political contacts and name recognition to engage in one-on-one negotiations. In behind-the-scenes meetings with both the Orange Order and the Garvaghy Road residents, the Group urged both sides to repudiate violence and uphold the Parades Commission’s rulings. The meetings led to a clear statement of conviction:

Group of Seven statement

“Mutual assertions of incompatible rights must be replaced by pragmatic, negotiated arrangements, sensitive to local circumstances and aimed at developing over time mutual trust and respect, which enlarge the options for both communities.

The present madness cannot continue. Northern Ireland cannot credibly, on the one hand, hold itself out as a prime location for investment and tourism and, on the other, indulge in behaviour that gives the investor and the tourist every reason to shun us. There is no future for a society that does not respect the rule of law.

We thought it would be irresponsible if we were not to try to make a constructive

contribution to what must now be a very intensive process of problem solving by all concerned. We are prepared to help – as are many others in Northern Ireland – in any way we can. If our suggestions do nothing more than prompt better ideas which attract support from both sides, we shall be well content.”

Source: 'Northern Ireland is on Self-Destruct: Action is Imperative', statement by the Group of Seven and the Federation of Small Businesses, 9 July 1998.

In August 1998, an IRA splinter group calling itself the Real IRA detonated the largest bomb in Northern Ireland's recent history in the market town of Omagh, killing 28 people and injuring a further 330. The Northern Ireland CBI, the Northern Ireland Chamber of Commerce and Industry, and the Irish Congress of Trade Unions condemned the attack and called on its members and their workforces to observe a minute's silence called by Church leaders for 22 August.

It became clear that, while the Good Friday Agreement provided the best opportunity for social, economic and political progress in Northern Ireland, it did not necessarily guarantee the end of violence. The CBI released a press statement through which it publicly called 'on all those who have influence over such arsenals to do everything within their influence to secure early decommissioning of them'.⁸

Other GoS tactics included:

- Discussions with political parties urging them to use their influence in securing peace
- Strongly worded media statements
- Individual appeals. The GoS at one point disseminated a letter to business colleagues, asking them to distribute it to their employees. The letter called on each recipient to recognise that: “Northern Ireland society faces choices ... [between] ... peace, progress, prosperity ... [and] ... hostility, animosity and sectarianism.” Through its business contacts, the GoS was able to build up corporate and grassroots support for peace in Northern Ireland, eliciting repeated praise for its actions from observers such as the then US president Bill Clinton.

After that summer of devastating violence, some splinter and breakaway paramilitary groups that had opposed the Good Friday Agreement made the decision to call for ceasefires. This enabled peace efforts to continue. In December 1998, Trimble and Hume were jointly awarded the Nobel Peace Prize for their roles in the peace process.

In February 1999, the GoS made a statement on the impasse in the peace process, calling for the institutions envisaged under the Agreement to be 'up and running'

and for a start to be made to the decommissioning of paramilitary organisations, both Republican and Loyalist. “In the interest of its trade, its investment and its tourism, Northern Ireland always has to hold its own in a highly competitive, global environment To succeed we need the vigorous dynamic and the self-confidence generated by a society, which is able to achieve reconciliation and build a common purpose.”¹⁰

The establishment of a new executive government in Northern Ireland in December 1999 marked a significant development in the peace process. In the space of a single week, power was passed from London to Northern Ireland, a power-sharing executive was established, ministers chose their departments and the Republic of Ireland changed its constitution to revoke Articles 2 and 3, which laid territorial claim to Northern Ireland. The Good Friday Agreement had finally moved to the implementation stage.

Although peace has been very fragile in the past years, with tensions generally rising during the summer’s ‘marching season’, a sense of relief became palpable when the 2003 and 2004 marches passed without major incident. On 28 July 2005, the IRA made a statement ordering the end of the armed campaign and instructed its members to dump arms, and assist in the development of purely political and democratic programmes by peaceful means.

Lessons

In Northern Ireland, private sector industry associations joined with trade unions to form a strong and effective partnership for political change. Rather than play the traditional role of financial supporters, the business community chose to serve as a think-tank and lobbying organisation, acting at critical junctions of the process. The GoS wielded its influence intelligently but sparingly, acting only when it felt its contribution was necessary to advance the political debate. Of course, business alone cannot build peace. Nevertheless, as GoS Chairman Sir George Quigley has noted, the efforts of the GoS ‘made it less easy for the parties to simply walk away’.¹¹

The Northern Ireland case shows that peacebuilding and economic development have to be addressed together. It demonstrates too that, even given deep-rooted animosity, politicians can be persuaded to come to the negotiating table by focusing on their shared, economic interests. More specifically, the study highlights the important role that expectations of economic growth can play in creating the momentum for, and promoting, the peace agenda. Indeed, the unemployment rates of the past decades give a sense of the positive effects of the ‘peace dividend’. In 1986, during the ‘Troubles’, a record 17.2 percent of the population was out of

work. By 2001, as peace was taking hold, this figure was down to 6.2 percent, reaching a record low of 4.6 percent in 2005.¹²

This case is based on an earlier analysis of Northern Ireland by International Alert and the International Business Leaders' Forum; and 'A Profitable Peace: the Confederation of British Industry in Northern Ireland' in van Tongeren et al.(eds.) (2005) People Building Peace II: Successful Stories of Civil Society (London, UK: Lynne Rienner Publishers). Further information also available at www.cbi.org.uk/northernireland

Endnotes

- 1 *Financial Times*, 28 July 1998.
- 2 *Christian Science Monitor*, 7 September 1995; *Christian Science Monitor*, 27 November 1995.
- 3 *Irish Times*, 8 June 1998.
- 4 Confederation of British Industry (1999) *Prospering in the Global Economy: Business Priorities for the New Northern Ireland Assembly* (Belfast, Northern Ireland: CBI).
- 5 *Ulster Business*, August 1997.
- 6 CBI statement, 7 October 1996.
- 7 In 1998, the Parades Commission ruled that the Orange Order, a Unionist group, would not be allowed to parade down the Garvaghy Road, a heavily Catholic neighbourhood. The Commission was afraid that the parade could become a flashpoint for violence. On 5 July 1998, 5,000 'Orangemen' and their followers gathered outside the church of Drumcree, demanding their historic rights to march. The resulting standoff was filled with tension and violence, including the tragic firebombing of a house that killed three Catholic children. Eventually, the protest lost momentum and the Orange Order backed down.
- 8 CBI statement, 17 August 1998.
- 9 Group of Seven statement 'Our Future', 30 May 1997.
- 10 Group of Seven statement, February 1999.
- 11 Sir George Quigley, chairman, Group of Seven, letter, July 1998.
- 12 'A Profitable Peace: the Confederation of British Industry in Northern Ireland' in van Tongeren et al.(eds.) (2005) *People Building Peace II: Successful Stories of Civil Society* (Boulder, US: Lynne Rienner Publishers).