



# **The Ulster Unionist Party**

## **Preparation for Government Committee**

### **Equality**

**(Labour Market issues)**

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18 August 2006**

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## **1. Introduction:**

It is important that the Government demonstrates benefit (effectiveness) from its equality policies. The duties that Government, by law, places upon the Equality Commission (EC), and also both public and private sectors, are extensive. There is a widespread view that these duties are onerous, time consuming and costly.

*“Northern Ireland is all consulted out. It started innocently enough, with a line in the Northern Ireland Act saying ‘to have due regard to the need to promote equality of opportunity’.”*<sup>1</sup>

In order to demonstrate effectiveness there is a clear need to identify, within already defined policy objectives, both the problem (baseline) and the anticipated outcomes required to alleviate the problem (effectiveness). There has been neither a clearly established baseline for the equality problem, or an effective measurement methodology to gauge the level of policy success.

To compound the problem, various perspectives are held with regard to the ‘equality problem’ from within different sections of the community (unionist and nationalist). Therefore, some clearly perceived overall objective assessment is required that will impact upon Government policy and, in turn, be communicated effectively to the public. In other words, a rigorous and clear evidence based policy process is urgently needed.

In this context, the EC’s Mission Statement is as follows: *“combating discrimination and promoting equality of opportunity through advice, promotion and enforcement.”*<sup>2</sup>

Finally, both Governments have taken a continuous interest in equality matters. For example, they reported on 14 July 2001 that the: *“statutory obligation on public authorities in Northern Ireland to carry out all functions with due regard to the need to promote equality of opportunity was enacted”*<sup>3</sup>

The British-Irish Intergovernmental Conference (BIIC) reported:

*“The Conference reiterated its commitment to tackling inequality and disadvantage on the basis of objective need. In that context it reviewed progress on the commitment in the Good Friday Agreement to tackle the differential in unemployment rates between the two communities. It also looked forward to the publication of a study on changing patterns of inequalities in the Northern Ireland labour market.”*<sup>4</sup>

And finally, the BIIC again reported:

*“The Conference welcomed a paper by the British Government on progress in combating unemployment and progressively eliminating the differential in*

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<sup>1</sup> Irish News: Platform Article, 2 April 2003.

<sup>2</sup> Equality Commission: ‘Annual Report 2004-2005’ February 2006.

<sup>3</sup> Irish & UK Governments: ‘Achievements in Implementation of the GFA’, 14 July 2001.

<sup>4</sup> BIIC: ‘Joint Communiqué of the BIIC’, 19 October 2005.

*unemployment rates between the two communities in Northern Ireland. The Conference welcomed the considerable progress made in recent years in tackling the overall level of unemployment in Northern Ireland. The Conference noted that while the percentage gap in the employment rates between the two communities has reduced considerably, the ratio of Catholic unemployment to Protestant unemployment has remained broadly static and is still approximately 2:1. The British Government reiterated its commitment to tackling continuing labour market inequalities and removing barriers to participation in the labour market. The Conference agreed to keep this matter under continuing review.”*<sup>5</sup>

Two further meetings of the BIIC have been held: 2 May 2006 and 25 July 2006. The above issue was not referred to in either of the two Joint Communiqués for these meetings.

The “study” referred to in the above BIIC quotation is a 230-page research report conducted by Scottish Economists (DTZ Pidea) - costing £100,000 - and published in November 2005. Though required by Government to conduct research relevant to issues in this submission, none was done. Government misled on this requirement and consequently only minor reference is made in this document to this Government report (known as the DTZ Report).

## **2. Related to Violence:**

The following Table is from a book described by an Irish News Editorial (23.04.91) as “*the most important and credible survey of discrimination to date*”. Only 18 of the 1,672 respondents could not be classified as either Catholic or Protestant.

Table 3.1 Perceived causes of the Troubles, by religion (%)  
(page 68)<sup>6</sup>

	Protestants	Catholics
Political/Constitutional	35	32
Discrimination/Rights	21	27
Violence	16	7
Attitudes	15	15
Religion	13	12
Socio/Economic	11	15
Segregation	5	4
Others	18	15

## **3. Importance of the Issue:**

The following quotations aim to indicate the importance placed upon equality issues.

<sup>5</sup> BIIC: 1 February 2006.

<sup>6</sup> Smith & Chambers: ‘Inequality in Northern Ireland’, Oxford 1991.

(i)

*“4.10 One such argument for providing equality of opportunity is that its achievement is necessary for improved relations between the different sections of the community in Northern Ireland. Only when both sections of the community have equal standing will they have the confidence to overcome the mutual suspicions and prejudices which now nourish hostility and violence.”*

**‘Religious and Political Discrimination and Equality of Opportunity in Northern Ireland: Report on Fair Employment.’ SACHR<sup>7</sup>, October 1987**

(ii)

*Par 1.1 “Furthermore, widespread confidence that the labour market operated fairly, with recruitment and promotion based on merit, would lead to greater social cohesiveness and better relations between different sections of the community.”*

**Government White Paper (Cm3890), March 1998**

(iii)

*“Fair Employment in Northern Ireland remains an issue of considerable importance and sensitivity ... Several witnesses stressed how important to the Peace Process issues of equality of opportunity are, particularly issues of fair employment. We agree”*

**The NI Affairs Committee Special Report: ‘The Operation of the Fair Employment (Northern Ireland) Act 1989: Ten Years on’, October 1999**

(iv)

*“Nearly four out of five [in West Belfast] felt that those living in the area suffered employer discrimination. This was perceived to perpetuate the problem of high unemployment through reducing the motivation of jobless people in the area who may share a perception that there is little point in acquiring new skills if the opportunities do not exist to gain meaningful employment.”*

**‘Report of the Taskforce on Employability and Long-Term Unemployment’**

**December 2002**

(v)

*“The issue of religious discrimination and disadvantage became recognised as a key aspect of the conflict ... However, five years on [from The Agreement] the issue of discrimination against Catholics and Nationalists has*

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<sup>7</sup> SACHR: A body named ‘The Standing Advisory Commission on Human Rights’ which at the time advised the Government on matters related to equality and human rights.

*dropped down the political agenda. The lack of media coverage that the issue receives would suggest that the problem of religious and political discrimination has been resolved and no longer exists. Such a conclusion could not be further from the truth. Two issues in particular show this ... The unemployment differential between Catholics and Protestants continues ... These differentials are little different to those twenty years ago."*

**West Belfast Economic Forum (WBEF), Policy Paper No 23, May 2003  
(Comments resulted from the publication of the 2001 Census of Population)**

(vi)

*"There were recurring criticisms of Shared Future<sup>8</sup> along the following lines ... [for example] there cannot be good relations until there is equality of opportunity and outcome and the full protection for human rights for all society - the active promotion of equality can lead to good relations but not vice-versa."*

**Darby & Knox 'A Shared Future (Consultation responses)'**

**Executive Summary, January 2004**

(vii)

*"These cases are essential because discrimination is rife in all sections of our society. Catholic males for example are still twice as likely to be unemployed as Protestant males."*

**Caitriona Ruane MLA (SF) 'The Outlook' 3<sup>rd</sup> March 2004**

(viii)

*"We want a system in Northern Ireland that provides jobs for Unionists as well as Nationalists. Figures released by the Equality Commission show that in the last ten years there have been 22,000 more Roman Catholics and 5,000 fewer Protestants in work. (Monitored Full Time workforce) An equitable system will mean people get recruited because of their ability to do the job, if you can live with that we can, but on that basis the above figures will have to change, discrimination against our people has to stop."*

**Gregory Campbell MP MLA (DUP) Derry Journal, 30<sup>th</sup> July 2004**

(ix)

*Due to the paraphernalia of discrimination and inequality that has been institutionalised since partition, we are sitting around a table talking about human rights and equality. We are dealing with institutionalised*

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<sup>8</sup> The 'Shared Future' document was a Government consultation document considering how NI could become a more harmonious society.

*discrimination and a situation in which Catholics are twice as likely to be unemployed as Protestants.”*

**Michael Ferguson MLA (Sinn Fein)  
Preparation for Government Committee, 11 August 2006**

I believe that the above quotations may be categorised as follows:

- (i) Some nationalist politicians remain focused on the UD and believe that discrimination against Catholics is the cause and that it is still present in the labour market;
- (ii) Some unionist politicians are also concerned about the labour market and have expressed the view that Protestants are not being treated fairly, perhaps even discriminated against; and
- (iii) Community relations have still some way to go and believing that there is a fair labour market would likely assist in improving relations.

#### **4. The Unemployment Differential:**

The Unemployment Differential (UD) has been defined by The Northern Ireland Statistics and Research Agency (NISRA) as follows:

*“This differential is the ratio of Roman Catholic to Protestant unemployment rates and is calculated by dividing the unemployment rate of the group with the higher rate of unemployment by that of the group with the lower rate.”*

**‘2000 Labour Force Survey Religion Report’: Page 8, (2001)**

For example, if the Catholic unemployment rate is 12% and the Protestant unemployment rate 6%, the differential is 2.

The ‘Unemployment Differential’ has long been a central aspect of the Equality Agenda. A wider phrase, ‘Community Differentials’ refers to differences between both communities on a wide range of social issues, such as mortality rates. However, it has been the traditional view that the over-arching measurement of difference, and disadvantage, between the two communities is the Unemployment Differential.

The 1987 SACHR Report<sup>9</sup> recommended targets for the reduction in the UD as follows:

*“4.8 An interim target to aim for would be the reduction in the differential between the male Catholic unemployment rate and the male Protestant unemployment rate from two and a half times to one and a half times within five years. This is not a prediction that the recommendations made in this*

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<sup>9</sup> See reference for quotation (i), page 5

*Report will result in this being achieved. Rather the Commission recommends this as a reasonable target which on public policy grounds, the Government should set itself to achieve. The Commission knows of no evidence which demonstrates that this is an impossible goal to achieve.”*

The 1997 SACHR Report<sup>10</sup> represented a comprehensive review of employment equality after five years experience of the operation of the Fair Employment (NI) Act 1989. It again concluded, like the 1997 Report, that attention must be paid to the UD as follows:

*“2.29 The Government should publicly adopt realistic targets for the reduction of long-term unemployment and unemployment differentials over five, ten and fifteen years. ....it is clear that any optimism within government at the time of the 1989 Act - that the differential would be reduced to 1.5 within 5 years unaccompanied by any strategy for greater labour market intervention - was misplaced. If the current rate of progress continues, the differential will still be unacceptably high by the time of the next census.”*

Two examples of commentary on Government policy at this time are as follows:

(i)

*“Although the Fair Employment Act was introduced to prevent discrimination on political and religious grounds, it has failed to remove the unemployment differentials and discrimination that continues to characterise Northern Ireland Society.*

*The UN Committee should therefore ask the incoming UK Government whether it will amend current legislation to reduce the unemployment differentials and strengthen measures to fight religious and political discrimination.”*

**Submission by UNISON<sup>11</sup> to UN Committee on Economic, Social and Cultural Rights, May 1997**

(ii)

*“In Northern Ireland my Government will seek reconciliation and a political settlement which has broad support, working in co-operation with the Irish Government. They will work to build trust and confidence in Northern Ireland by bringing forward legislation to deal with terrorism and to reduce tension over parades, and other measures to protect human rights, combat discrimination in the workplace, increase confidence in policing and foster economic development.”*

**Queen’s Speech, 14<sup>th</sup> May 1997**

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<sup>10</sup> SACHR: ‘Employment Equality: Building For The Future’, Cm 3684, June 1997.

<sup>11</sup> UNISON: The NI branch of a United Kingdom wide trade union representing public sector workers.



## **5. The Government's Response to the above 1997 SACHR Report:<sup>12</sup>**

### **(i) Introduction by the Secretary of State:**

Page 4

*"We promised reform in Northern Ireland too - not only devolution within an agreed framework, but also measures to safeguard human rights and counter unjust discrimination in the labour market. This White Paper sets out our plans and seeks views on a number of proposals to enhance equality in a range of areas centering on jobs and employment. They relate to the particular circumstances of Northern Ireland and do not carry implications for equal opportunities and race relations strategies in the different context of Great Britain."*

Page 5

*"SACHR argues that employment equality cannot be achieved without equality of opportunity based on a broad front of private and public sector action. We agree. That is why, complementing our labour market policies and proposals to strengthen Fair Employment legislation, we propose to put in place a new statutory framework requiring the public sector to promote equality of opportunity."*

### **(iii) Employment and Unemployment: (Chapter 2)**

Par. 2.12

*"The Secretary of State has already indicated her intention to clarify the law in this respect. It is now proposed to amend the Fair Employment and race relations legislation to clarify that an employer will not be liable to complaints of discrimination by seeking to recruit only from those not in employment, or only from those who have not had a job for a given period."*

Par. 2.21

*"Not all of the factors determining the differential are within the Government control but the measures outlined above, particularly the New Deal and children initiatives, together with the proposals listed in Chapters 3 and 4, [Education/Training/ Equality of Opportunity/ New TSN] should reduce the levels of long-term unemployment and, with them, the ratio between the percentage of Catholics and Protestants who are unemployed."*

Par. 2.22

*"To assess the rate of progress the Government proposes to commission the new Equality Commission to agree with the representatives of employers,*

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<sup>12</sup> Cm 3890: 'Partnership for Equality' White Paper, March 1998.

*employees, political parties and other interests, benchmark measures for the future reduction of the unemployment differential.”*

## **6. The Northern Ireland Affairs Committee:**

The NI Affairs Committee considered the issue of fair employment<sup>13</sup>. By way of indicating its acceptance of the viewpoint that discrimination was prevalent in NI, at the outset the Report stated that: *“In the course of this inquiry, we visited the United States of America from 10 to 13 May to seek to draw on American experience in combating discrimination in employment.”* (page vi, par.5)

The Report noted that: *“considerable attention was given by several witnesses to the problem of long-term unemployment in NI and the issue of differences in unemployment rates between Catholics and Protestants”* (page xiv, par.42), yet *“one witness, Dermot Nesbitt, who dissented from the SACHR report in 1997 on this issue, regarded the Government’s focus on the unemployment differential as mistaken.”* (page xv, par. 42). Nevertheless, it concluded: *“we consider that the community differences in unemployment should remain an appropriate and important issue of concern for Government. While not a simple measure of success of the legislation, it is one measure of the success or failure of government policy generally in the area, but not the only one.”* (page xv, par.47)

It noted that *“it remains to be seen to what extent”* recruitment from the long-term unemployed *“will affect the unemployment differential.”* (par. 127).

The Report referred to the hope that the EC would have an early agreement on the *“benchmark measures for the future reduction of the unemployment differential”* (par. 129) noting that the next review in five years *“will consider any deviation between the benchmarks established and the available data.”* (par. 130) It added that: *“this would provide a suitable opportunity for appropriate policy initiatives on the unemployment differential.”* No further review has been conducted by the NI Affairs Committee.

I believe that the following comments are valid:-

(i) It seems clear that the Committee reported in the mode and mindset of what I would term as the accepted view of the equality issue and rejected, without reason, any evidence that presented a contrary viewpoint. Namely: discrimination prevalent; more processes needed to combat this discrimination; and one measure of success is by a reduction in the UD.

(ii) The Northern Ireland Economic Council (page 69, Minutes of Evidence) and I (page 167, Minutes of Evidence) both presented statistical evidence in addition to our oral evidence. No recognition of this statistical evidence was contained in the Report. Rather, by inference from its recommended future directions, the Report rejected this statistical evidence.

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<sup>13</sup> NI Affairs Committee (House of Commons): ‘The Operation of the Fair Employment (NI) Act 1989: Ten Years On’, July 1999.

## **7. NISRA's 'Briefing Note':**

The introductory comment from this 'Note'<sup>14</sup> stated that: *"The Northern Ireland Statistics and Research Agency (NISRA) was invited by OFMDFM to provide a note on statistical and technical issues associated with the persistent differences in unemployment rates of Catholics and Protestants in Northern Ireland."* There was persistent resistance on the part of Government to the publication of this documentation. Only after a Freedom of Information request was the documentation published in January 2005.

Regarding the UD the Note stated that:

*"It is the ratio which has been used by Government and other commentators and on which research has been focused. Analysis of labour force statistics from the 1970s onwards has typically found the unemployment rate of Roman Catholics to be twice that of Protestants - more than twice in the case of males and less than twice in the case of females. This position has persisted despite significant changes both in the composition of the labour force and in the overall rate of unemployment over the past 30 years."*

The Note viewed the factors affecting the differential as:

*"A substantial body of research has indicated that the difference in the unemployment rates between Protestants and Catholics is due to the complex interaction over time of a number of demographic and socio-economic factors. These factors, the importance of which may have changed since the research was undertaken, include personal characteristics such as age, marital status, number of children, family experience of unemployment, housing tenure and educational qualifications; regional factors such as area of residence, sectoral performance (including the size and composition of the security forces) and demographic factors such as labour force growth and migration and the 'chill' factor."*

However, it concluded that:

*"Research findings to date do not, however, point to specific actions which the administration could take which could be stated with confidence to have a measurable impact on the differential, measured as a ratio. This is not to say that further research would not identify such actions."*

The Note had three further conclusions, relevant to this submission:

- (i) *"Analysts would, however, accept that the differential is not a valid measure of the extent or the existence of discrimination in employment."*

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<sup>14</sup> NISRA: 'Unemployment - Statistical and Technical Issues'; OFMDFM, October 2000.

(ii) *“An analysis of these returns [Applicants and Appointees] over the last decade indicates that, in overall terms, Protestant and Roman Catholic job applicants have a similar chance of obtaining jobs.”*

(iii) *“As Catholics are disproportionately represented among the unemployed, it is commonly believed that targeting jobs on the unemployed on a proportionate basis would reduce the differential. This is not the case. However, a policy which targeted the long-term unemployed (LTU) on a proportionate basis could have a marginal first order effect.”*

Exceptionally and indeed a probably unprecedented step, because of the sensitive nature of the issues, NISRA invited the Economic and Social Research Council to identify two academics that could comment authoritatively on the issues contained in the NISRA Note and to undertake an independent review of the work.

In his summary at the end one reviewer<sup>15</sup> stated:

*“There is likely to be a trade-off between depth of statistical information and clarity in any Briefing Note, but I believe that a simple focus on the unemployment rate is inadequate to summarise all the complex features of any labour market’s jobless problem. Northern Ireland is no exception to this.”*

The other reviewer<sup>16</sup> cautioned on the data used in the Briefing Note:

*“At the outset it should be made clear that these data are not adequate to address the issue of whether there is discrimination in employment opportunities in NI. However what is also clear is that there are no appropriate data available for the analysis of this question. Hence this is not a question of negligence on the part of NISRA - merely that the appropriate data do not exist.”*

He added that:

*“The unconditional analysis of unemployment rates is fairly meaningless in assessing the question at issue [discrimination]. What is required is careful econometric analysis of the conditional analysis of the unemployment probability subject to the conditioning of education, and other socio-demographic characteristics.”*

His comment regarding the Note’s view that Catholic and Protestant job applicants have a similar chance of obtaining jobs is as follows:

*“The conclusion is based on evidence from the monitoring returns of the Equality Commission. However the analysis is not conditional on characteristics and therefore can only provide limited evidence of fairness in recruitment.”*

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<sup>15</sup> J. Wadsworth: ‘Review of Briefing Note - Northern Ireland Labour Force’; (Four pages) NISRA, 2001 (available on OFMDFM web-site from January 2005).

<sup>16</sup> P. Dolton: ‘Review of Briefing Note - Northern Ireland Labour Force’; (Nine pages) NISRA, 2001 (available on OFMDFM web-site from January 2005).

I believe that the following comments are valid:-

(i) The UD is not a valid measure of unlawful discrimination. Indeed it is fairly meaningless in assessing whether or not there is discrimination. Put another way: if unemployment rates are different by religion it does not follow that there is unfair discrimination in the labour market.

(ii) The use of Applicant/Appointee statistics are of limited use in the consideration of whether or not the labour market is operating fairly. A full answer requires careful consideration, likely by econometric analysis, of the probability of success in the application process - allowing for characteristics such as educational attainment etc. This aspect is considered in Section 9 of this document.

I recognise fully this limitation and where I have used such data in this document I have made the assumption that all candidates have the same socio-economic profile and that I have merely offered *one* answer, not *the* answer.

I do not assume that any variation in success rates between Catholics and Protestants infers unlawful discrimination but rather that it merely poses an important question requiring an answer: why the difference in success rates?

## **8. Dignan's Research:**

The following represents elements of this Government sponsored research<sup>17</sup> that I consider relevant to this document. The DTZ Report stated that New TSN: "*continues to be the central policy in the region for combating poverty and social exclusion.*" (page 7, phase 1) An important element related to New TSN, and viewed as crucial by the Government, was recruitment from the unemployed. Two comments by Dignan are as follows:

*"Thus, for example, in the case of unemployment, the overall ratio of unemployment rates can be reduced if resources are disproportionately skewed towards the long-term unemployed. This is not because of the higher per capita incidence of long-term unemployment amongst Catholics. Rather it is due to the fact that the long-term unemployed account for a greater share of total Catholic unemployment than Protestant unemployment."* (par. 132)

*"This example illustrates the general point that, if the mix needs in a given policy area does not vary between the two communities then there is no effect on the overall ratio of rates from skewing towards the greater objective need, even if the per capita incidence of total need is higher in one community than in the other."* (par. 133)

Taking away all the carefully crafted language used by Dignan, these paragraphs support the view taken by NISRA regarding the lack of impact that Government

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<sup>17</sup> Tony Dignan: 'Community Differentials and New TSN: Summary Report' OFMDFM, 2003

policies can have on the UD, notwithstanding that New TSN's purpose is to skew resources to appropriate need. This skewing is a wholly acceptable policy.

## **9. The book - 'fair employment in Northern Ireland, a generation on':**

This book<sup>18</sup>, commissioned by the EC, comprises "a collection of essays by a distinguished panel of researchers, academics and policy makers." Also, "The book is designed to provide an assessment of how matters stand in Northern Ireland in relation to fair employment, which has been one of the most important areas of public policy interventions in the region in the past generation" (page 1).

It commented on fair employment legislation as follows.

*"The impact of fair employment legislation implemented under Direct Rule cannot be ruled out either, though its direct effect, to the degree that could be picked up in the social mobility survey, is likely to have been relatively minor in comparison to the more sweeping effects of educational reform and changes in the industrial structure. Fair Employment legislation's main impact may have been as much on preventing the evolution of new discrimination mechanisms in developing areas of the economy as on redressing traditional wrongs" (page 62).*

### ***Social Mobility***

I shall now look in a little more detail at the social mobility aspect to fair employment. This dimension led to what was described as "perhaps one of the most significant conclusions for this book as a whole ..." (page 20).

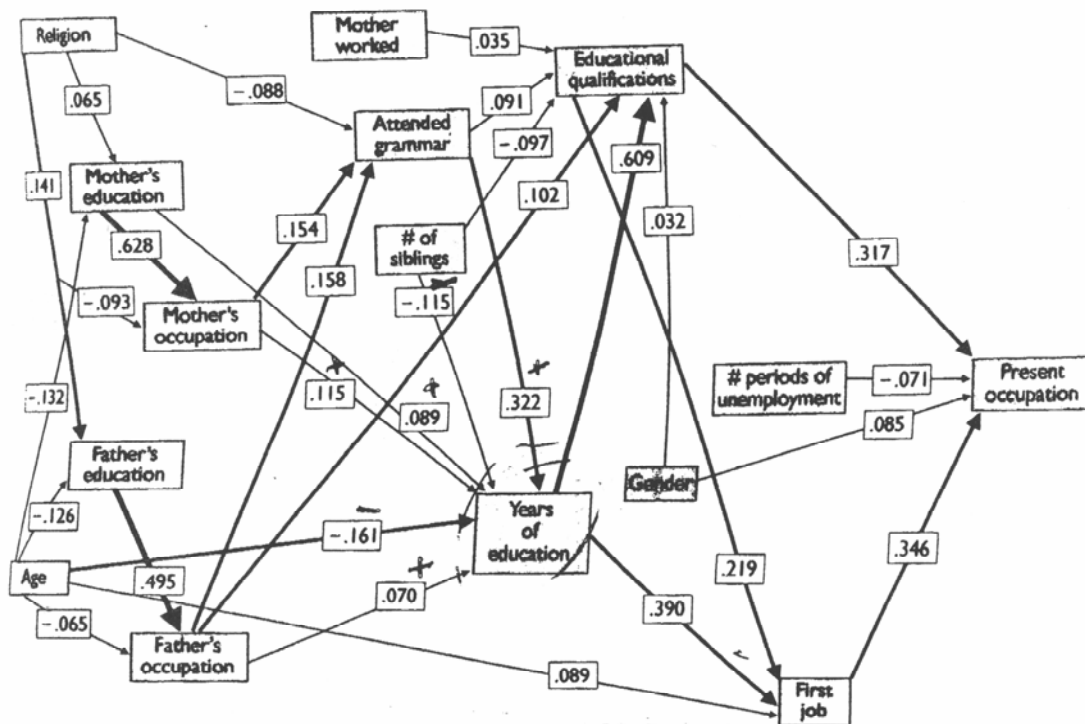
The book used social mobility and applied advanced statistical techniques in order to investigate equality of opportunity. The data used was derived from a 1996-97 survey and was designed to replicate the 1973-74 mobility survey. To see how social mobility can be used for the examination of discrimination/equality of opportunity, the book stated that: "Much of the claims of discrimination being voiced by the Northern Ireland Civil Rights Association could be seen as claims of adverse social mobility." (Page 50) In brief, what conclusions can be drawn from the book?

The diagram below displays the conclusion by way of a regression path analysis. For example, it indicates that one's present occupation depends more (.346) on one's first job than upon gender (.085). One's first job depends most on years of education (.390). And years of education have a significant effect on educational qualifications (.609) etc. It can be seen from this regression were religion played a part in one's first job and present occupation.

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<sup>18</sup> Osborne & Shuttleworth (Eds.): 'fair employment in Northern Ireland: a generation on', Blackstaff Press, 2004.

Path model, 1996/97 survey, males and females



Source: 'fair employment in Northern Ireland a generation on'  
 Edited by Bob Osborne & Ian Shuttleworth, Blackstaff Press  
 Page 55

The book offered commentary of this path model. For example:

*“Respondents from larger families are less likely to have higher educational qualifications, have fewer years of full-time education, and are less likely to have attended a grammar school”* (page 56).

It summarised the results as follows:

*“Hence, compared to a generation earlier, religion in analyses based on the 1996/97 dataset appears to have lost its unique significance for people’s mobility chances”* (page 56).

A loglinear analysis was also conducted, for comparison purposes, with the above regression path analysis. The book stated, *“If the same results, although using a different method, are derived as in the regression path analysis, then it is highly likely that they are robust”* (page 58). Loglinear analysis confirmed the findings of the regression path analysis.

In summary, the Social Mobility chapter stated that:

*“Unlike the previous generation in the 1973/74 data, if Catholics and non-Catholics begin their working lives with the same levels of education and first job, their mobility through their careers will not be directly advantaged or disadvantaged by religion” (page 63)*

The overall conclusion to this analysis was that it reinforces the position that:

*“religion ceased in the 1990’s to have a direct independent effect upon an individual’s social position.” (page 185)*

In the book the primary reasons for bringing about change were attributed to the post-war educational system and the decline of traditional industries.

I believe that the following comments are valid:-

(i) The book concluded that the impact of fair employment legislation was relatively minor, compared with other aspects, in the all-important area of social mobility.

However, summary articles do not reflect this dimension fully. Indeed the back cover summary of the book states: *“This book offers clear evidence that strong policy and law can help create change.”*

And one of the Editors (Osborne), writing in a regional newspaper about the book, said:

*“We have measured real social change over the past generation and the existence and use of fair employment legislation has played a vital part in this.”*<sup>19</sup>

Further removed from the book, a feature writer for the same paper wrote:

*“They emphasis [the authors] the importance of anti-discrimination laws, first introduced in the 1970’s and then hardened in 1989.”*<sup>20</sup>

(ii) A significant conclusion of the book is that religion in the employment market has lost its unique significance. Religion ceased in the 1990’s to have a direct independent effect upon an individual’s social position.

A significant dimension to this conclusion is that the data that led to this conclusion related to the time period 1996/97. It was precisely at this time that SACHR, the Government and others were wrestling with how to combat discrimination.

## **10. Worked Examples:**

*(i) Explanation of some concepts:*

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<sup>19</sup> Bob Osborne: Platform Article, Belfast Telegraph, 7 March 2004.

<sup>20</sup> Barry White: Platform Article, Belfast Telegraph, May 2004.



Equality of Opportunity: (EoO) This means equality of opportunity between persons of different religious beliefs in that every person has the same opportunity for appointment to a job as any other person, due allowance being made for any material difference in their suitability for the job.

Equality of Outcome: If all candidates from both the Catholic and Protestant communities have the same profile of educational attainment and experience, then the outcome of an appointment process should result in the same proportion of a particular community being appointed as the proportion that applied. In short, if 60% of a group of candidates applied were Catholic then 60% of the successful applicants should be Catholic. In reality, the bigger the number involved – in both applications and appointments – the more likely is such a result to occur.

Active Population: This comprises all persons in the labour market, either in work or seeking work. It does not include, for example, retired persons or students.

Employed Population: Of the Active Population, this represents the number actually in work. The difference between the Active and Employed populations represents the unemployed.

New Active Population: The working population is constantly changing – new people come into the labour market and people retire. A particular characteristic of the Northern Ireland labour market has been that the New Active Catholic population coming into the labour market has been steadily increasing over time, in comparison with the Protestant population. Over the last 10-year period the Active Catholic population has increased approximately from 39% to 43%. Also, this means that in any one year the proportion of New Active Catholic population coming into the labour market is likely to be greater than its present Active proportion. For example, assuming the present Active Catholic population is 43%, the New Active Catholics coming into the labour market may be 45% of this year’s total New Active population - Catholic and Protestant.

***(ii) Application of above concepts to worked examples:***

Each worked example will be laid out as follows. The numbers used here are different from reality but this has no bearing on the dynamics of the labour market, it is merely for ease and clarity of working. It is the relative relationship in size between the Catholic and Protestant communities that is important.

Initial position

	<u>Active</u>	<u>Employed</u>	<u>Unemployed</u>	<u>%</u>	<u>Differential</u>
<b>Catholic</b>	<b>100</b>	<b>95</b>	<b>5</b>	<b>5</b>	
<b>Protestant</b>	<b>200</b>	<b>190</b>	<b>10</b>	<b>5</b>	<b>1</b>
<b>Total</b>	<b>300</b>	<b>285</b>	<b>15</b>		

**Catholics:** The above assumes that there are 100 Catholics either in work or seeking work (Active), 95 are in work (Employed) and with 5 people unemployed, the unemployment rate is 5%.

**Protestants:** The Active Protestant proportion is twice the Active Catholic proportion (2 to 1).

**Unemployment Differential:** Since both Catholics and Protestants have the same unemployment rate, the differential is 1. In reality, this means that there is no differential in unemployment between the two communities, that the proportion is 1:1.

The above labour market could be described as stable in that the proportions are in balance (so there is no potential disadvantage to either community) and, on the assumption that New Active Catholics and New Active Protestants reflect existing proportions, the market should remain stable.

### New position

We now introduce some dynamics into the labour market. Suppose: 18 New Active people in total come into the labour market, 6 Catholics and 12 Protestants; there are only 9 new jobs available; and that all jobs will go to the New Active. How is this reflected numerically, mindful of the concepts mentioned at the beginning?

**Appointment procedure:** In all examples it is assumed that there is EoO and that both communities have the same profile of educational attainment and experience. It follows therefore that the proportion appointed from either community should reflect the proportion of applicants from that community. If 50% of the applicants are Catholic then 50% of the appointments should be Catholic: the selection process should ensure that no unlawful discriminatory criteria are applied in order to select the number of applicants to reflect the number of jobs available.

This could be represented numerically in two ways. The result in both cases is of course the same.

(i) Since 6 out of 18 of the New Active population are Catholic, Catholics are entitled to 6/18 (or 1/3) of the 9 new jobs.

**Thus: 9 new jobs x 1/3 = 3 C new jobs**

**OR**

(ii) Since there are 18 applicants seeking 9 new jobs, each Catholic and Protestant applicant has a 50% chance of obtaining, or not obtaining, a job. The number of jobs available is 50% [9/18] of the number of total applicants.

**Thus: 6 C x 50% = 3 C new jobs**

The worked examples in each case will show these calculations. Looking at the new position, compared with the initial position above, the outcome is as follows:

## New position

	<u>Active</u>	<u>Employed</u>	<u>Unemployed</u>	<u>%</u>	<u>Differential</u>
<b>Catholic</b>	<b>106<sup>1</sup></b>	<b>98<sup>2</sup></b>	<b>8</b>	<b>7.5</b>	
<b>Protestant</b>	<b>212</b>	<b>196<sup>3</sup></b>	<b>16</b>	<b>7.5</b>	<b>1</b>
<b>Total</b>	<b>318</b>	<b>294</b>	<b>24</b>		

<sup>1</sup> 106 = 100 + 6 (increase in the Active Catholic population)

<sup>2</sup> 98 = 95 + 3 (6 C x 50%)

<sup>3</sup> 196 = 190 + 6 (12 P x 50%)

If instead of 9 new jobs 16 new jobs were available, the outcome would be as follows.

	<u>Active</u>	<u>Employed</u>	<u>Unemployed</u>	<u>%</u>	<u>Differential</u>
<b>Catholic</b>	<b>106</b>	<b>100.33<sup>1</sup></b>	<b>5.67</b>	<b>5.3</b>	
<b>Protestant</b>	<b>212</b>	<b>200.67<sup>2</sup></b>	<b>11.33</b>	<b>5.3</b>	<b>1</b>
<b>Total</b>	<b>318</b>	<b>301</b>	<b>17</b>		

<sup>1</sup> 100.33 = 95 + 5.33 ( 6 C x 16/18)

<sup>2</sup> 200.67 = 190 + 10.67 (12 P x 16/18)

Note: In both cases the UD has remained stable but more people are unemployed than in the initial position because the number of new applicants coming into the labour market in each case was greater than the new jobs that were available.

### ***(iii) Recruiting directly from the Unemployed:***

In an effort to convey more reality the following two examples use actual labour market statistics as provided by NISRA. The year 1997 has been chosen as a year when there was a marked degree of difference between the two communities.

This policy of recruiting directly from the unemployed was recommended by the Government in 1998 (page 9, par. 2.12 above) and actively welcomed by both the Fair Employment Commission (FEC) and its successor the EC, as follows:

*“... But the unacceptable discrepancies in the unemployment rate remain and it is a matter of satisfaction that the recent Government White Paper identifies this as the major outstanding issue and concentrates on measures to remove them.”*<sup>21</sup>

<sup>21</sup> Fair Employment Commission (FEC): Monitoring Report No. 8, March 1998.

*“The unemployment differential is an unacceptable inequality which must be tackled if there is to be equality and fair participation for all. It is hoped that the new legislative provisions allowing for recruitment directly from those not in employment and religion specific training will go some way to bringing this about.”<sup>22</sup>*

However, the reality of the labour market presents a different picture.

#### Initial Position

	<u>Active</u> (‘000’s)	<u>Employed</u> (‘000’s)	<u>Unemployed</u> (‘000’s)	<u>%</u>	<u>Differential</u>
<b>Catholic</b>	<b>289 (41.4%)</b>	<b>254 (39.6%)</b>	<b>35</b>	<b>12.11</b>	
<b>Protestant</b>	<b>409 (58.6%)</b>	<b>388 (60.4%)</b>	<b>21</b>	<b>5.13</b>	<b>2.36</b>
<b>Total</b>	<b>698</b>	<b>642</b>	<b>56</b>		

Source: NISRA for 1997

#### New Position

Assume: Government policy is targeted at reducing the unemployed by 7,000 in one year (12.5%) by permitting recruitment directly from the unemployed. Since it is assumed that EoO obtains, a fair and proportionate number from both communities would be expected to benefit from this policy initiative.

	<u>Active</u> (‘000’s)	<u>Employed</u> (‘000’s)	<u>Unemployed</u> (‘000’s)	<u>%</u>	<u>Differential</u>
<b>Catholic</b>	<b>289</b>	<b>258.375<sup>1</sup></b>	<b>30.625</b>	<b>10.60</b>	
<b>Protestant</b>	<b>409</b>	<b>390.625<sup>2</sup></b>	<b>18.375</b>	<b>4.49</b>	<b>2.36</b>
<b>Total</b>	<b>698</b>	<b>649</b>	<b>49</b>		

<sup>1</sup> 258.375 = 254 + 4.375 (7,000 x 62.5%).

<sup>2</sup> 390.625 = 388 + 2.625 (7,000 x 37.5%).

Since Catholics comprise 35 of the 56 total number unemployed, given EoO and both communities having the same educational profile, Catholics should obtain 35/56 (62.5%) of the 7,000 jobs that Government has targeted for the unemployed.

Protestants comprise 21/56 (37.5%) of the total unemployed and thus, like Catholics, should receive their fair share of the 7,000 jobs targeted by Government.

Catholics receive 63% of the 7,000 jobs yet the differential is unchanged. We can now begin to see how both Catholics and Protestants could potentially feel unfairly treated. Catholics see the UD not being reduced while Protestants see more Catholics getting

<sup>22</sup> Equality Commission (EC): Corporate Plan 2000 – 2003.

jobs. Government must be open about these issues for the benefit of the whole community, both Catholic and Protestant.

***(iv) Recruiting directly from the Long-term Unemployed:***

Assume: Government policy targeted at reducing the Long-term Unemployed (LTU) by 7,000. Again both communities would be expected to benefit from the policy initiative. In 1997 there were 28,000 LTU - Catholics 19,000 and Protestants 9,000. The same initial position is assumed as above so we need only consider the new position.

New Position

	<u>Active</u> (‘000’s)	<u>Employed</u> (‘000’s)	<u>Unemployed</u> (‘000’s)	<u>%</u>	<u>Differential</u>
<b>Catholic</b>	<b>289 (41.4%)</b>	<b>258.750<sup>1</sup> (39.9%)</b>	<b>30.250</b>	<b>10.47</b>	
<b>Protestant</b>	<b>409 (58.6%)</b>	<b>390.250<sup>2</sup> (60.1%)</b>	<b>18.750</b>	<b>4.58</b>	<b>2.29</b>
<b>Total</b>	<b>698</b>	<b>649</b>	<b>49</b>		

<sup>1</sup> 258.750 = 254 + 4.750 (7,000 x 67.86%)

<sup>2</sup> 390.250 = 388 + 2.250 (7,000 x 32.14%)

Catholics comprise 19,000 of the total 28,000 LTU and thus should obtain 19/28 (67.86%) of jobs targeted for the LTU. Protestants comprise 9/28 of the LTU and thus should receive 9/28 (32.14%) of the jobs.

Catholics obtain 68% of the jobs, long-term unemployment is reduced by 25% and there is a reduction in the Differential of only 0.07. This very small reduction is because, within the total unemployed, Catholics have a higher proportion of the LTU. However, the UD is based on data supplied by NISRA and its estimate for the margin of error is 0.40 (resulting from sampling error). The reduction in the UD is so small - only 18% of the margin of error (0.07/0.40) - that it is for all practical purposes fairly meaningless, compared with the major outcome of jobs provided to those who were LTU.

There are many other factors over which government has no control that could change the UD. For example, people from one community may migrate into Northern Ireland and increase the Active labour market for that community.

Therefore, it is not really possible to measure any actual contribution by Government policy to the reduction in the UD measured as a ratio and so it should not be used as a measurement tool by which to judge the success, or otherwise, of the Government and its policies.

What is more noteworthy is that the original absolute differential has been reduced from 6.98% points (12.11% - 5.13%) to 5.89% points (10.47% - 4.58%). This is a reduction of 1.09% points. This is referred to as the 'gap' in the unemployment rates between Catholics and Protestants. In similar manner there would be a reduction in the 'gap' in the employment rates between the two religious denominations.

Today's unemployment rate is below 5% - the lowest it has been for many years. There is also a lower difference in unemployment rates measured either as an absolute gap or as a ratio (the UD). Also, the difference in the employment gap within the Catholic community has been reduced. Such dynamics can be seen from the above example, based on recruitment from the long-term unemployed. Namely: the difference in the absolute gap reduced by 1.09% points; the UD was reduced by 0.07; and, the Employment gap for Catholics reduced from 1.8% points [41.4% - 39.6%] to 1.5% points [41.4% - 39.9%].

## **11. The Unemployment Differential and 'Chance' V 'Incidence'**

Probability<sup>23</sup> is an interesting dimension to statistics and is used as a predictor of outcomes. For example, the chance of throwing a six with a dice is one in six. Afterwards, following many throws, the incidence of the actual number of times a six was recorded should equal the chance of throwing a six: the more throws, the more likely will be that outcome. One can reverse the logic: it is possible to infer chance (a possibility of something happening) from the incidence (occurrence or rate of frequency of an event).

In the Government's DTZ Report reference is made to the concepts of 'chance' and 'incidence'. On page 27 (phase 2) the phrase "*less chance of being unemployed*" was utilised. On page 19 (phase 2) the title of Table 2.1 read: "*Incidence of unemployed...*" The DTZ Report, like the above simple example, infers the chance of an event from the incidence that occurred. This has led to the UD being widely interpreted as a measure of discrimination. When/if persons seek a job, it is inferred by some from the incidence of unemployed (by reference to the UD) that Catholics will have less chance in obtaining a job, compared with Protestants, because the Catholic unemployment rate is higher than the Protestant unemployment rate - hence the belief that discrimination is occurring in the labour market.

However in the actual labour market, from the incidence of unemployed one cannot infer anything about the chances, after having applied for a job, of obtaining the job or not, and, if unsuccessful, of being unemployed.

Put it another way: using a one year incidence of unemployed (a cross section) tells us nothing about the flows into employment/unemployment. However, if the labour market was stable (e.g. not having one religious denomination increasing, as a proportion of the increase, greater than that denomination's present active population proportion) then incidence would be an indicator of chance in the labour market.

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<sup>23</sup> 'Chance' and 'Probability' are used interchangeably; the correct term in this context is 'probability'.

Example:

Assume: a stable labour market (so no UD) and New Active Catholic and Protestant persons coming into the labour market are in proportion (1 to 2) to the existing labour market proportions; New Active Catholics are 6 and New Active Protestants are 12; and there are 9 new jobs with only new persons being appointed to these jobs.

Initial position

	<u>Active</u>	<u>Employed</u>	<u>Unemployed</u>	<u>%</u>	<u>Differential</u>
<b>Catholic</b>	<b>100</b>	<b>88</b>	<b>12</b>	<b>12</b>	
<b>Protestant</b>	<b>200</b>	<b>176</b>	<b>24</b>	<b>12</b>	<b>1</b>
<b>Total</b>	<b>300</b>	<b>264</b>	<b>36</b>		

New position

	<u>Active</u>	<u>Employed</u>	<u>Unemployed</u>	<u>%</u>	<u>Differential</u>
<b>Catholic</b>	<b>106</b>	<b>91<sup>1</sup></b>	<b>15</b>	<b>14.15</b>	
<b>Protestant</b>	<b>212</b>	<b>182<sup>2</sup></b>	<b>30</b>	<b>14.15</b>	<b>1</b>
<b>Total</b>	<b>318</b>	<b>273</b>	<b>45</b>		

<sup>1</sup> 91 = 88 + 3 (6 C x 50%)

<sup>2</sup> 182 = 176 + 6 (12 P x 50%)

This example shows normal movement within a labour market where there is stability and no single community is potentially less disadvantaged than another. Since there are 18 applicants seeking 9 new jobs each Catholic and Protestant applicant has a 50% chance of obtaining, or not obtaining, a job. The incidence of unemployment indicates the chance of applicants obtaining a job or becoming unemployed. The market remains stable and also reflects EoO.

However if non-stability of the labour market occurs, it in turn **creates an UD** (from a position of no differential). Assuming that each applicant has an equal chance of obtaining a job the result still creates a differential. This would indicate however, from the incidence of the unemployed, that there is a greater chance of being unemployed (less chance of obtaining a job) if you are a Catholic compared with a Protestant, which is not the case.

Example:

Assume: initially a stable labour market (no differential) as above; the Active Catholic proportion increases more than its present Active proportion - say, New Active Catholics are 8 and New Active Protestants are 10 (Active Catholic proportion was 1 to 2 and now New Active coming into the labour market is 4 to 5); and, as before, there are 9 new jobs with only new persons being appointed to these jobs.

### Initial position

	<u>Active</u>	<u>Employed</u>	<u>Unemployed</u>	<u>%</u>	<u>Differential</u>
<b>Catholic</b>	<b>100</b>	<b>88</b>	<b>12</b>	<b>12</b>	
<b>Protestant</b>	<b>200</b>	<b>176</b>	<b>24</b>	<b>12</b>	<b>1</b>
<b>Total</b>	<b>300</b>	<b>264</b>	<b>36</b>		

### New position

	<u>Active</u>	<u>Employed</u>	<u>Unemployed</u>	<u>%</u>	<u>Differential</u>
<b>Catholic</b>	<b>108</b>	<b>92<sup>1</sup></b>	<b>16</b>	<b>14.8</b>	
<b>Protestant</b>	<b>210</b>	<b>181<sup>2</sup></b>	<b>29</b>	<b>13.8</b>	<b>1.07<sup>3</sup></b>
<b>Total</b>	<b>318</b>	<b>273</b>	<b>45</b>		

<sup>1</sup>  $92 = 88 + 4$  (8 C x 50%)

<sup>2</sup>  $181 = 176 + 5$  (10 P x 50%)

<sup>3</sup> Increase in the UD can depend upon: recruitment pool (here it was from the New Active - if the existing unemployed were included in the application pool, the differential would have increased further); number of jobs; and number of new entrants.

With the New Active Catholic proportion higher than its present overall active proportion (4 to 5 compared with 1 to 2) there is pressure upwards on the UD. This has nothing to do with an unfair labour market or with lack of EoO. Numerically, more Catholics are added (fairly) to the unemployed number than previously, thus increasing the Catholic unemployment rate more than the increase in the Protestant unemployment rate, so creating an UD.

Therefore in the above example, knowing the incidence of being unemployed (the UD) says nothing about the chance of getting a job if one applies, the latter being the cornerstone of anti-discrimination and EoO policy.

## **12. Poverty and Disadvantage:**

It was accepted within the latest Government (DTZ) Report that poverty and disadvantage are manifested in large measure by being unemployed. It follows that one of the most important mechanisms within the labour market is whether or not a person who applies for a job is successful. In short, is an applicant appointed? Is the process fair or not? Is there or not equality of opportunity (or discrimination) at the point of recruitment?

In the context of comparing applicants with appointees, some general comments have been made. For example, a researcher from the EC commented that:

*“The representation of Catholics among applicants and appointees [private sector] has been broadly similar over the period 1991-2001 ... Up until 1997, as NISRA (2001) pointed out, the same could be said about the public sector*



*... During the 1997-9 period, however, the representation of Catholics among appointees was approximately 3 percentage points higher than their representation among applicants”<sup>24</sup>*

The researcher highlighted an aspect that requires further examination. That an official of the EC pointed out these dynamics is commendable. However, the EC in its Monitoring Returns has resolutely refused to mention this dimension. To date no cognisance has been taken by Government of this apparent anomaly notwithstanding several representations having been made in this regard.

I make it clear that the comments above do not, as a consequence, imply unfair discrimination in favour of Catholics. Rather that an issue of concern about recruitment needs to be addressed by the relevant equality authorities.

Of course, the EC gives reasons for not considering this issue. It states that: “*Caution is required when making comparisons between the community composition of applicants and appointees.*”<sup>25</sup> The two reasons adopted by the EC for a non-examination of the issue, rather than a supposed cautious approach, are: (i) aggregated applicant and appointee data may not necessarily refer to the same recruitment exercise and (ii) temporary appointments may not always be recorded by employees.

It can be shown<sup>26</sup> that, even allowing for a 20% carry over of applications into the next year’s monitoring round before recording the related appointments, this does not statistically influence the outcome as to whether or not any one year is significant. Also, making a reasonable assumption that any omission of temporary appointments is roughly balanced between the two communities (even though the person recording the information is not aware of any one applicant’s religious denomination) would result in no material difference to the statistical test.

### **13. Statistical Test of Significance:**

A statistical test for significance can be applied in order to assess any significant variation between applicant and appointee proportions within the Catholic applicant/appointee flows.

It is not unreasonable to assume that, if a group of applicants contained 40% Catholic, one would expect that the number appointed would comprise 40% Catholic – assuming the same education/experience profile across the communities and equality of opportunity. The bigger the group of applicants and the greater the number of jobs, the more likely it is that this will occur.

I was advised by NISRA officials within OFMDFM that, while agreeing with the approach of comparing yearly applicants with appointments in order to gauge equality of opportunity, the methodology presented below should be used. By way of example I have taken one year (2001) as a comparative year, that has been assessed as not

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<sup>24</sup> R. Russell: ‘Employment profiles of Protestants and Catholics: a decade of monitoring’ In ‘fair employment in Northern Ireland: a generation on’ Eds. Osborne & Shuttleworth. Blackstaff, 2004.

<sup>25</sup> Equality Commission: ‘Research Update’, December 2005, Page 6.

<sup>26</sup> Dermot Nesbitt: ‘Presentation to DTZ Economics Team, Edinburgh’, October 2004, page 36.

significant, and compared it with the latest data (2004) which are judged to be statistically significant: namely, the Catholic proportion of appointees to the public sector was higher than would have been expected (compared with the Protestant proportion), thus requiring an explanation. This is based on the assumption that both religions have the same profile.

The relevant Monitoring Returns for Applications and Appointees collected by the EC, together with a statistical test for significance, are presented below.

## Monitoring Returns – Applicants/Appointees

(Public Sector)

2001

<u>Applicants:</u> Protestants 74,865 (52.2%) Catholics <u>68,585</u> (47.8%) Total 143,450	<u>Appointees:</u> Protestants 10,137 (52.1%) Catholics <u>9,305</u> (47.9%) Total 19,442
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$$\frac{9,305}{68,585} = 13.57\% \text{ (Catholic percentage success rate)}$$

$$\frac{10,137}{74,865} = 13.54\% \text{ (Protestant percentage success rate)}$$

Applying the Standard Error formula at the 95% confidence level the following is obtained:

$$\sqrt{\frac{13.57(100 - 13.57)}{68,585}} \times 1.96 = 0.2563$$

i.e. 13.57% + or – 0.2563 (margin of error for Catholic appointees)

$$\sqrt{\frac{13.54(100 - 13.54)}{74,865}} \times 1.96 = 0.2451$$

i.e. 13.54% + or – 0.2451 (margin of error for Protestant appointees)

Analysing the above you find that, with 95% confidence, the Catholic appointee range is 13.57% + or – 0.2563 (i.e. 13.31% to 13.83%) and the Protestant appointee range is 13.54% + or – 0.2451 (i.e. 13.29% to 13.79%).

**Thus:** since within the two ranges there **IS** an overlap between 13.31% and 13.79% the outcome is **NOT** statistically significant.

## Monitoring Returns – Applicants/Appointees

(Public Sector)

2004

<u>Applicants:</u> Protestants	79,411 (52.1%)	<u>Appointees:</u> Protestants	12,180 (50.1%)
Catholics	<u>72,937</u> (47.9%)	Catholics	<u>12,153</u> (49.9%)
Total	152,348	Total	24,333

$$\frac{12,153}{72,937} = 16.66\% \text{ (Catholic percentage success rate)}$$

$$\frac{12,180}{79,411} = 15.34\% \text{ (Protestant percentage success rate)}$$

Applying the Standard Error formula at the 95% confidence level the following is obtained:

$$\sqrt{\frac{16.66(100 - 16.66)}{72,937}} \times 1.96 = 0.2704$$

i.e. 16.66% + or – 0.2704 (margin of error for Catholic appointees)

$$\sqrt{\frac{15.34(100 - 15.34)}{79,411}} \times 1.96 = 0.2506$$

i.e. 15.34% + or – 0.2506 (margin of error for Protestant appointees)

Analysing the above you find that, with 95% confidence, the Catholic appointee range is 16.66% + or – 0.2704 (i.e. 16.39% to 16.93%) and the Protestant appointee range is 15.34% + or – 0.2506 (i.e. 15.09% to 15.59%).

**Thus:** since within the two ranges there is **NO** overlap between 15.59% and 16.39% the outcome **IS** statistically significant.

An intuitively logical explanation to the two statistical sets above is as follows. In 2001 it is possible (within 95% confidence) to have exactly the same proportional success rate for both Catholics and Protestants – somewhere between 13.31% and

13.79% - thus the 2001 results are not significant, whereas in 2004 it is not possible (within 95% confidence) to have the same outcome for both Catholics and Protestants - thus the 2004 results are considered statistically significant.

Using the above test for significance for the EC's data for all monitored years, significant outcomes (\*) are indicated in the table below. For example, in six of the last eight years the Catholic appointee proportion to the public sector was higher than expected, assuming the same education/experience profile across the communities and also EoO. Further, the latest Monitoring Returns show that for the first time both private and public sectors are showing a bias in favour of the Catholic community.

<b>1 No</b>	<b>2 Yr</b>	<b>3 Yr. Pub.</b>	<b>4 Public sig. gain C</b>	<b>5 Public sig. gain P</b>	<b>6 Private sig. gain C</b>	<b>7 Private sig. gain P</b>
2	'91	'92				*
3	'92	'93				
4	'93	'94		*		
5	'94	'95			*	
6	'95	'96			*	
7	'96	'97				*
8	'97	'98	*			
9	'98	'99	*			
10	'99	'00	*			
11	'00	'01				
12	'01	'02				
13	'02	'03	*			
14	'03	'04	*			
15	'04	'05	*		*	

### ***Fundamental Questions***

The above points to certain fundamental questions that need to be addressed. Is the appointment procedure fair or not? Is there EoO or not at the point of recruitment? What is an acceptable margin of error in appointments beyond which an explanation is required? Naturally, supplementary questions arise from these primary questions.

The above analysis is one answer to these fundamental questions. I readily accept that there is no one unique answer and that difficulties arise with aggregating data. Indeed, I have no doubt that statisticians may disagree as to an appropriate answer or indeed whether or not there is an answer. Thus, I do not claim my answer is the answer, merely one answer.

DTZ stated in its response to me on 14 February 2006 that:

*“As stated clearly in our commentary the applicant/appointee data has certain limitations which make other data sources more appropriate for this type of analysis. To carry out the econometric analysis in Phase 2, it was essential to have data on labour market outcomes linked with the explanatory variables such as qualifications, which the applicant and appointee data does not provide.”*

In its response to me on this matter, dated 10 April 2006, OFMDFM stated that:

*“To use such data in this way would require making assumptions about levels of educational qualifications and experience which applicants and appointees have. In the absence of this data (which FETO does not require employers to provide) we need to interpret trends with extreme caution.”*

Both responses were similar. I agree that caution is required and that is the reason it is more important that some fundamental questions are addressed than the particular numerical test of significance. As with ratio analysis of an organisation’s financial position, an adverse ratio does not necessarily indicate anything other than further examination is required. The silence by the DTZ Report on pointing out a requirement for further examination of applicant/appointee proportions is not acceptable.

### **14. Wider Comparisons**

The DTZ Report indicated that *“it may also be worthwhile to capture differences in the labour market performance of different denominations of Protestants”* (page 19, phase 4) noting that Osborne and Shuttleworth wrote that *“it is also a little noted fact that the 1971 Census revealed significant differences between various Protestant denominations in their experience of unemployment, with Church of Ireland members more likely to experience unemployment rates similar to Catholics.”*

Perhaps more interestingly and clearly even less well known, if at all, is a comparison between unemployment rates within the two jurisdictions within the island of Ireland.

For example, using the unemployment rates from the 1981 Census in Southern Ireland the following results<sup>27</sup> were calculated.

### *Unemployment Differential*

Monaghan	3.1	Donegal	1.7
Cavan	2.7	Ireland (South)	1.8

The above are examples calculated on the same basis as Northern Ireland's UD. Is this outcome suggesting that Catholics are discriminated against in the Republic of Ireland as compared with Protestants? Indeed, in NI are members of the Church of Ireland discriminated against in comparison with Presbyterians or Methodists?

## **15. Conclusion:**

Presenting data accurately to the public is a continuing problem. The EC recently conducted a survey of attitudes and presented its results. The first paragraph of its press release stated:

*“Most people in Northern Ireland believe that it is not Protestants or Catholics who are treated most unfairly, but racial or ethnic groups.”*<sup>28</sup>

This tone was replicated in the media coverage of the survey data. On closer examination of the survey it is noted that:

*“A greater proportion of respondents from the Protestant community (36%) than Roman Catholic community (27%) and Unionists (40%) compared to Nationalists (30%) expressed agreement ... [that]... Equality laws protect one group at the expense of another.”*<sup>29</sup>

The Chief Commissioner of the EC viewed these data with “concern” and that “*this is a real crux in the public understanding of equality*” which presents “*a real challenge to the Equality Commission.*”<sup>30</sup>

Meanwhile the Government and its officials carry on without any real sense of a need to address the equality issue accurately. Regarding the DTZ Report the then Government Minister, Lord Rooker, pronounced at its time of publication: “*Report shows Government's equality policies are working.*”<sup>31</sup> The Government thus gave itself a pat on the back - based on evidence contained in, what is to many, an incomprehensible research report. How accurate is this Government statement?

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<sup>27</sup> Northern Ireland Economic Research Centre (NIERC): ‘Catholic and Protestant Unemployment in Ireland, North and South’, 1994 (unpublished).

<sup>28</sup> Equality Commission: Press Release, 21 June 2006.

<sup>29</sup> Equality Commission: ‘Research Update’ June 2006.

<sup>30</sup> Bob Collins: Platform Article, Belfast Telegraph, 21 June 2006.

<sup>31</sup> Government Press Release, 29 November 2005.

The process of accurate, clear and simple representation by Government and the EC of information regarding equality is essential. This could begin by Government assessing its policy analysis of the 1990's (as it is the basis for today's policy). This procedure is recommended as a requirement for good policy making<sup>32</sup>. Questions also need to be considered by Government and/or the EC. Is the UD a means of measuring the success of Government policy, as indicated in the BIIC Report in February 2006? Does the UD measure discrimination, measure equality of opportunity, measure the chances of being unemployed and is it a statistic that government policy can have a meaningful influence upon? Also, Government and/or the EC should initiate, as a matter of urgency, an examination of the appointments procedures to the public sector.

The Ulster Unionist Party strongly supports fairness for all. It is realised that equality is a sensitive issue and disadvantage must be addressed by Government and others who have such responsibility. The challenge to Government is to fully address the issues of equality that are of concern to people in Northern Ireland. Until then, it will be difficult to turn away from past perceptions and look to a different future - a future beneficial to both Catholics and Protestants.

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<sup>32</sup> OFMDFM: 'A Practical Guide to Policy Making in Northern Ireland', July 2003