

The MacBride Principles and The Equality Agenda in Northern Ireland

A Status Report



Emblem of the United Irishmen, 1794

City of New York
Office of the Comptroller
Bureau of Asset Management

William C. Thompson, Jr.
Comptroller

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AND THE EQUALITY AGENDA
IN NORTHERN IRELAND:
A STATUS REPORT***

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RESPONSIBILITIES OF THE NEW YORK CITY COMPTROLLER FOR THE MACBRIDE PRINCIPLES

The New York City Comptroller is responsible for seeking implementation of the MacBride Principles by businesses, and monitoring compliance, in two capacities - as custodian of the City's Pension Funds (known as the “Funds”) and as a monitor of City contracting procedures.

A. Implementing New York City Pension Fund Policies

In 1985, the New York City Employees' Retirement System and the New York City Teachers Retirement System, concerned over religious discrimination in Northern Ireland, adopted resolutions directing the Comptroller to:

- survey employment practices of corporations in the Funds' portfolios operating in Northern Ireland;
- urge companies with stock held in Pension Fund portfolios to adopt the MacBride Principles for their operations in Northern Ireland; and,
- to initiate, where necessary and appropriate, corporate shareholder resolutions requiring such compliance with the MacBride Principles.

The New York City Police and Fire Department Pension Funds adopted comparable resolutions in 1988.

B. City of New York Statutory Requirements

In 1991, the New York City Council enacted an ordinance asking prospective contractors to agree that, as a material condition of contract with the City, any business operations they may have in Northern Ireland will be conducted in accordance with the MacBride Principles. Under the terms of this law, companies refusing to sign can be refused City contracts or can have contracts suspended. (Local Law No. 34 of 1991; § 6-115, Administrative Code of the City of New York)

Under the City Charter, the Comptroller is responsible, with City agency heads, for monitoring corporate compliance with this statute. (Charter of the City of New York, as amended to December, 1989, Ch. 13, §328 and Ch. 5, §93)

INTRODUCTION

In September 2006, Comptroller William C. Thompson led a New York City delegation to Ireland to monitor the level of compliance with the fair employment standards embodied in the MacBride Principles by corporations operating in Northern Ireland and which are held within the New York City's pension portfolio. As part of the Comptroller's statutory mandate, the delegation also met with officials of the British and Irish governments, representatives of the major political parties in Northern Ireland, and members of leading human rights organizations to examine the effectiveness of governmental and private sector action in this area. This report will look at the current status of anti-discrimination and equal opportunity initiatives in Northern Ireland, as well as the New York City Funds' efforts to promote the MacBride Principles and safeguard employment equality in the Funds' investments in Northern Ireland.

EXECUTIVE SUMMARY

The MacBride Principles are a set of nine equal employment opportunity guidelines for firms operating in Northern Ireland promulgated in 1984 by the late Irish statesman and Nobel Peace laureate Sean MacBride and several associates, and originally developed by the New York City Comptroller's Office under the direction of then Comptroller Harrison J. Goldin. The MacBride Principles call on such firms to increase employment opportunities for members of underrepresented religious groups, ban the display of provocative sectarian emblems in the workplace, promote security for minority employees and abolish hiring criteria that discriminate on the basis of religion or ethnicity. In 2006, the MacBride Principles marked 22 years of

implementing a campaign, described by human rights leader Bernadette Devlin McAliskey as “the most important human rights initiative in Northern Ireland since the Irish civil rights movement of the 1960s.”

The success of the MacBride Principles campaign has led to steady progress towards employment equality in Northern Ireland. This report summarizes its impact thus far, discusses recent British initiatives to enforce fair employment statutes in Northern Ireland, and reviews the role of New York City's Pension Funds and contract policies in the effort. It also outlines possible directions for the promotion of the Equality Agenda in the coming years.

In the United States, the campaign has focused on securing commitment to the Principles from U.S. firms doing business in Northern Ireland. As of 2005, American companies with significant operations in Northern Ireland (more than 10 employees) employed 26,292 persons; of those, 71 publicly-traded corporations employed 16,811. The campaign has made important progress in many areas:

- Institutional investors, led by the New York City Pension Funds, have aggressively encouraged adoption of fair employment practices in companies in which they invest. Today, 88 United States and Canadian corporations operating in Northern Ireland have agreed to implement the fair employment standards embodied in the MacBride Principles and to accept independent monitoring of their compliance. Twenty-two of those companies adopted these practices during the administration of the current Comptroller, William C. Thompson, Jr.

- Seventeen states and over 40 municipalities, including New York City, have enacted laws tying their investment and procurement policies to corporate agreements to adhere to the MacBride Principles.
- The number of Catholics employed in Northern Ireland has increased overall, and among major employers, that number has grown significantly. For example, since 1985 the Catholic proportion of the workforce of Short Brothers of Belfast, a major aerospace company, and a long-time target of equality campaigners, has almost tripled. New hires at the company are now close to being proportionately representative of the greater Belfast population. In addition, Catholic representation in the Northern Ireland Civil Service – Northern Ireland's largest employer – has increased by 20 percent since 1990.
- Working conditions for Catholic workers in Northern Ireland have improved. For example, the once-common practice of intimidation by display of sectarian flags and emblems has diminished precipitously. In one most recent manifestation, swift and sure action by the New York City Comptroller's office quickly eradicated such an offensive display.

In England and Northern Ireland, new laws have been adopted and enforcement efforts have increased, such as:

- The British Parliament adopted a Fair Employment Act for Northern Ireland in 1989, imposing equal employment opportunity requirements on businesses.
- The budget of the Equality Commission, the government's main anti-discrimination enforcement agency, has grown dramatically – from \$250,000 given to its predecessor in 1985 to \$6.8 million in 2005.

It is clear that international pressure has been the engine of change. Inez McCormack, a Belfast trade union official, and one of the original sponsors of the MacBride Principles, has observed that, "more change has taken place in Northern Ireland (relative to fair employment) because of external pressure than from 30 years of non-violent internal campaigning."

Much has been accomplished during the 22 years of the MacBride Principles campaign, but much remains to be done. Catholics are still much more likely to be unemployed than Protestants, and resistance to fair employment practices remains high. To build on past achievements, even greater efforts are needed in the coming years, here and abroad, including the following:

- While two-thirds of the United States and Canadian companies known to have operations in Northern Ireland have agreed to implement the fair employment standards embodied in the MacBride Principles, strong and substantial outreach efforts must continue to address companies that remain outside the fold. In addition, a significant number of non-U.S. companies (including many based in the United Kingdom) have not made the progress towards equality seen in many

American-owned firms.

- Administration of the Fair Employment Act of 1989 in Northern Ireland has proved problematic in certain key areas. Key provisions of the Fair Employment Act of 1989 and the Good Friday Agreement of 1998 have not been adequately enforced by the British Government.

I. STATUS OF THE MACBRIDE CAMPAIGN IN THE UNITED STATES

The MacBride Principles are a set of equal employment opportunity guidelines for firms operating in Northern Ireland that were promulgated in 1984 by the late Irish statesman and Nobel Peace laureate Sean MacBride and several associates. These guidelines were originally developed by the New York City Comptroller's office under the direction of then Comptroller Harrison J. Goldin. The MacBride Principles call on firms to increase employment opportunities for members of underrepresented religious groups, ban the display of provocative sectarian emblems in the workplace, promote security for minority employees and abolish hiring criteria that discriminate on the basis of religion or ethnicity.¹

In the United States, the campaign to secure adoption of the Principles has focused on obtaining commitments from U.S. firms doing business in Northern Ireland. Governmental entities have played a major role in the campaign.

¹ The MacBride Principles are listed in Appendix A.

- A. New York City Pension Funds have obtained agreements with 88 companies to implement the MacBride Principles since 1989, with 22 of those companies joining since 2002.

Large-scale American investment in Northern Ireland began in the 1960s, when the government of Unionist Prime Minister Terence O'Neill sought to attract foreign investors to offset declines in Ulster's textile and shipbuilding industries, traditional mainstays of its economy. Fairly low wage levels – by European standards – and subsidies attracted a number of American and European firms to Northern Ireland. Many new investors were inadvertently drawn into the sectarian discrimination that permeated the Northern Ireland economy.²

According to a British government estimate, at the outset of the MacBride campaign in 1985, the total value of U.S. investment in Northern Ireland was \$1.2 billion, and American companies operating in the North had 11,000 employees. These numbers have increased despite fears promulgated by opponents of the MacBride Principles that the campaign would lead to corporate divestment. As of 2005, 135 American companies employed 26,292 persons; of those, seventy-one publicly-held companies employed 16,811 workers.

New York City's five public employee pension systems, with investments that to date total \$9 billion in over 260 companies that do business in Northern Ireland, empowers the Comptroller, as custodian of their Funds, to monitor employment practices of those firms and to urge the companies to implement the MacBride Principles.³ Since 1989, the New York City Comptroller's Office, acting on behalf of the five pension systems, has reached agreements with 88 U.S. and Canadian corporations that commit those companies to implement the fair employment

² See, City of New York, Office of the Comptroller, *Report on Northern Ireland Investment (1985)*, and *Interim Report on Implementation of New York City Employees and New York Teachers Retirement Systems Resolution on N. I. (1986)*.

³ The New York City Employees' Retirement System, the New York City Teachers Retirement System, the New York City Police Department Pension Fund, the New York City Fire Department Pension Fund, and the New York City Board of Education Retirement System

standards embodied in the MacBride Principles and require them to agree to cooperate with independent monitoring of compliance. Twenty-two of those were added during the administration of the current Comptroller, William C. Thompson, Jr.⁴

In addition, the pension systems file shareholder resolutions that call on corporations to take such action. Since 1985, the Funds have sponsored more than 250 of these types of shareholder resolutions at corporate annual meetings.⁵ Over the last five years alone, more than fifty resolutions emanating from the New York City Comptroller's office have received sponsorship. The resolutions have gained increasing levels of support each year that they have been submitted, and have been credited by some observers as contributing to fair employment advances at a number of U.S. companies.

B. 17 States and 40 municipalities have adopted laws that link investment policies and the award of public contracts to agreements to adopt the MacBride Principles.

Since 1985, 17 states and over 40 municipalities have passed legislation supporting the MacBride Principles. Most of these measures have been modeled on the program of the New York City Pension Funds, and link state and local investments to corporate adherence to the MacBride employment standards.

In addition, legislation linking the award of municipal and state contracts to the implementation of the MacBride Principles has been adopted by New York State, Cleveland, and

⁴ Appendix B of this report lists the corporations with which agreements have been reached.

⁵ Resolutions have been co-sponsored by State employee pension funds from New York, Minnesota and Connecticut and by religious and labor shareholder groups.

Chicago among others.⁶ Most of this legislation was based on New York City's contract compliance law, which went into effect in September 1991.⁷

Under the New York City law, prospective City contractors with operations in Northern Ireland can lose contract bids if their subsidiaries are not implementing the fair employment standards embodied in the MacBride Principles. Since the law's enactment, 62 additional corporations have reached agreements with New York City to implement MacBride and to cooperate with independent monitoring of their compliance.⁸

II. IMPACT OF THE MACBRIDE CAMPAIGN IN NORTHERN IRELAND

Since 1985, many companies have improved their fair employment practices as a result of the MacBride campaign. These improvements include the enactment of serious outreach programs to attract applicants from underrepresented religious groups. In 1989, responding to the success of the MacBride Principles campaign in the United States, the British Parliament passed a Fair Employment Act for Northern Ireland, which the government has described as being "the strongest piece of anti-discrimination legislation ever passed in the United Kingdom."⁹ Employers must monitor the religious composition of their workforce and report on it annually to

⁶ Appendix C lists state and local laws and resolutions with respect to fair employment in Northern Ireland.

⁷ Administrative Code of the City of New York, Section 6-115.

⁸ Included in the list in Appendix B. Some have adopted the principles solely because of shareholder requests, others because of the combination of the contracting law and shareholder activity.

⁹ Fair Employment in Northern Ireland," Northern Ireland Brief, Foreign and Commonwealth Office, October 1991, P. 1.

an Equality Commission created to enforce the Act. The Equality Commission is empowered to issue directives that monitor affirmative action, and establish goals and timetables for minority recruitment.

A. Employers respond to the MacBride Campaign by redressing employment inequities.

Since its inception, the campaign has employed a combination of international pressure and local action to encourage companies to agree to implement the Principles. These efforts have resulted in considerable long-term changes, as several major employers have significantly increased the representation of Catholic employees in their workforce. For example, since 1985 the Catholic proportion of the workforce of Short Brothers Aerospace of Belfast, one of the province's largest employers and a long-time target of Equality campaigners, has nearly tripled. New hires at the company are now close to being proportionately representative of the greater Belfast population. Further, Catholic representation in the Northern Ireland Civil Service – Northern Ireland's largest employer – has increased by 20 percent since 1990.

B. The British government's efforts to promote equality have yielded mixed results.

Corporate compliance with the Fair Employment Act's monitoring requirements has been quite high. Almost 4,000 private and public sector employers have filed monitoring returns under the 1989 Act. Significant improvements have been made in the proportion of Catholics in the workforce, which can be attributed to employers' cooperation with the Act's legal requirements.

However, there are still problems relating to enforcement of the statute. The criteria for imposing sanctions remain uncertain. Guidelines for the statute require companies to ensure the "fair participation" of Catholics and Protestants in employment. But the guidelines also state that the definition of "fair participation" will vary from company to company.

Government support for what it terms "affirmative action" remains problematic.¹⁰ The government has insisted that hiring and promotion decisions must be made "on the basis of merit alone," and that religion or ethnic background cannot be taken into account in making those decisions. This allows employers to resist change, citing the "merit principle." At the same time, government condemnation of what it describes as "reverse discrimination" may make it difficult for an employer acting in good faith to move forcefully to redress inequalities.

Under the terms of the Good Friday Agreement of 1998, the Fair Employment Commission (FEC) was incorporated into a newly created "Equality Commission," which, in addition to enforcement of the Fair Employment Act's prohibitions against discrimination on the basis of religion and political opinion, is also tasked with enforcing laws against discrimination on the basis of gender, race, disability, and sexual orientation.

Some observers, including the then-FEC Chairman Sir Bob Cooper, and long-time Labour Member of Parliament and human rights campaigner Kevin McNamara, objected to the amalgamation of these functions, fearing that the Commission's new responsibilities would hurt efforts to eliminate sectarian discrimination, one of the primary causes of Northern Ireland's

¹⁰ The Fair Employment Act defines affirmative action as "action designed to secure fair participation." The government's initial proposed definition - "special measures taken to promote a more representative distribution" - was eliminated from the final bill.

troubles. It was their opinion that the new body would be tempted to focus their attention and resources on less controversial aspects of their mandate, such as discrimination based on gender, race, and disability.

There is evidence that these concerns were well-founded, as increasing amounts of the Equality Commission's time and budget have been allocated to dealing with non-sectarian discrimination, with less attention proportionally paid to the problems of continuing discrimination based on religion and political opinion.

Problems soon developed with another major institution established by the Good Friday Agreement to promote the Equality Agenda – the Northern Ireland Human Rights Commission. Human Rights advocates claimed that the British government was unwilling to give the Commission anything near the funding and legal powers that it would need to effectively fulfill its mandate.

In 2001, a controversy arose which threatened the very existence of the Commission as a viable entity. School children at the Catholic Holy Cross School in north Belfast were, for many months, the victims of sectarian intimidation, harassment, and assault. The Catholic community accused the predominantly Protestant Police Service of Northern Ireland (PSNI) of refusing to intervene to enforce the law against those attacking the children. The students' parents brought a lawsuit against the Police Service, which the Human Rights Commission voted to support financially.

However, the Commission's Chairman, Bryce Dixon, later took steps to undermine that support by writing the PSNI's Chief Constable, Ronnie Flanagan, to assure him that he did not support the Commission's intervention in the case. Subsequent to the release of this letter, several other Commissioners, including MacBride Principles sponsor Inez McCormack, resigned in protest of Mr. Dixon's action.

New York City Comptroller William Thompson and New York State Comptroller Alan Hevesi later joined in these protests by writing to then British Secretary of State for Northern Ireland Paul Murphy, and to Irish Foreign Affairs Minister Brian Cowen, asking the two governments to intervene as co-guarantors of the Good Friday Agreement. The Comptrollers pointed out that the New York City and State pension systems had over \$15 billion invested in Northern Ireland, and that, following the Agreement, both the City and State of New York had actively encouraged investment in the North "on the understanding that progress would continue to be made towards equality and fairness for all." The Comptrollers went on to request that the governments urge Mr. Dixon to resign, and that there should be "a complete reorganization of the Commission with the reconstituted body given the full statutory powers, funding, and independence needed to fulfill its mission."

Bryce Dixon subsequently departed the Commission, to be replaced by Monica McWilliams, and, as a part of the recent St. Andrews Agreement of October 2006, the government pledged to enact legislation in Parliament to greatly expand the Commission's legal powers.

C. Critical data on corporate discrimination are published.

Another test of the government's program came early in 1992. The Confederation of British Industry and other corporate interests pressured the government to block the public release of the employment data filed by corporations in compliance with the Fair Employment Act.¹¹ In January 1992, the New York City Comptroller's Office issued a statement that was widely publicized in the Northern Ireland media, stressing that publishing this information would provide a strong incentive for change by companies with extreme imbalances between Catholic and Protestant representation.

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In March 1992, the government published the monitoring data obtained from its initial employers' survey, and a commitment was made to publish subsequent data on an annual basis.¹³ The annual publication of such data has provided a significant impetus for remedial actions.

Government release of the employment monitoring data has revealed a marked increase in the proportional numbers of Catholics employed over the 15 years since the initial survey, to a point that, as of 2004, the composition of the monitored workforce was 42.3 percent Catholic and 57.7 percent Protestant. These figures are roughly in line with the respective community proportions of those available for work according to the 2001 census (42.7 percent Catholic and 57.3 Protestant).¹⁴

¹¹ "FEC Boss Discounts New York Rumours," *Irish News (Belfast)*, January 28, 1992, p. 1.

¹² "Holtzman Asks British: Release N.I. Employment Data Now," Comptroller's Office release, January 27, 1992.

¹³ "FEC Decision To Publish Report On Workforce Figures Hailed," *Irish News*, April 3, 1992. ²¹

D. Statutory enforcement scored some successes.

The Fair Employment Act of 1989 created a new, quasi-judicial agency to hear individual complaints of discrimination against firms and government bodies – the Fair Employment Tribunal (FEY). The Tribunal began ruling on cases in 1992 and the success rate for individual complainants – about 30 percent – is almost twice as high as that of the old Fair Employment Agency, which had adjudicated such cases prior to 1990.¹⁴

III. FUTURE DIRECTIONS FOR THE CAMPAIGN IN THE UNITED STATES

New York City as a large contractor for goods and services and as an institutional investor can be expected to continue along the dual path it has followed to promote equality and non-discrimination in employment in Northern Ireland.

- The Pension Funds, as corporate shareholders, will continue to press corporations with significant operations in Northern Ireland to implement the MacBride Principles, and will expand those efforts to include, where appropriate, the foreign-based corporations in which they own shares.
- In addition, New York City has contracts with other companies and can take direct action against such firms that do not implement the Principles, pursuant to provisions recently added to the City's Administrative Code.

¹⁴ Investor Responsibility Research Center, "News for Investors," October, 1992, p. 22.

Several companies in each category have been particular targets of MacBride supporters in the United States and abroad. Possible steps that can be taken to encourage these companies to adopt fair employment policies consistent with the MacBride Principles are discussed below, as examples of possible future directions.

A. Using the leverage of pension fund investments to induce change

The ability of the Pension Funds to act swiftly in defense of the McBride Principles can be illustrated by an incident that occurred in 2002. Comptroller Thompson's office made an early decision to bring American franchises into the McBride fold. Thus, when a local Kentucky Fried Chicken (KFC) franchise allowed a divisive mural depicting hooded gunmen from the Protestant paramilitary Ulster Freedom Fighters to be painted on the restaurant's exterior, in spite of the fact that this action was flagrantly illegal under Northern Ireland law, the Comptroller's office brought strong and swift pressure to bear. By contacting executives at the company's headquarters and reminding them that the Pension Funds owned over one million Kentucky Fried Chicken shares totaling more than 30 million U.S. dollars, the Comptroller was able to effect the immediate removal of the offending mural. In fact, the wall was painted over within 24 hours.

The KFC controversy demonstrated the need for New York City to expand the scope of its enforcement of its statutory MacBride Principles mandates to include all companies with active franchise operations in Northern Ireland, even if they had no direct employees in the province. A company's reputation is an important financial asset, and serious human rights violations on the part of franchise holders can seriously damage a company's standing among consumers, both in the

localities where these violations occur, and beyond. Since 2003, Comptroller Thompson has negotiated MacBride implementation agreements with several major U.S. companies with significant franchise operations in Northern Ireland, including the Marriot hotel chain, Coca-Cola, and ExxonMobil.

Employee pension funds will continue to seek commitments to the Principles from U.S.-based, and where appropriate, foreign-based companies doing business in Northern Ireland. While eighty-eight companies have entered agreements, others still have not. In coming years, additional resources will be spent securing agreements with holdouts.

During the September visit to Belfast, members of Comptroller Thompson's delegation met with management and trade union representatives at two companies with which the Funds have had a long history of engagement on fair employment issues. The companies are Visteon Belfast (formerly Ford), and Hughes Christiansen (owned by Baker Hughes). Ford (Visteon) reached an agreement with the New York City Comptroller's office to implement the MacBride Principles. Baker Hughes has yet to agree to their implementation.

Visteon has had a history of being one of the most controversial American employers in Northern Ireland. Despite its location in Gerry Adams' constituency of Catholic West Belfast, the plant's workforce was almost two-thirds Protestant in the mid-1980s, and charges of discrimination at the company date back almost 30 years to 1977.

Yet, the situation relating to equal employment opportunity at Visteon has improved significantly since 1998, when the company reached an agreement with the New York City Comptroller's office regarding the implementation of the MacBride Principles. The most recently available government monitoring figures show that Catholics comprised 50.6 percent of the Visteon workforce in 2005.

Despite these signs of progress however, new issues emerged in the Belfast operation, as both management and workers recently told Comptroller Thompson's delegation of their fears regarding the plant's continued viability due to the pressures of globalization.

The Hughes Christiansen plant in East Belfast was one of the first significant U.S. investments in Northern Ireland. The company was opened by Howard Hughes' Tool Company in the late 1940s. At that time the company had a workforce that was almost 100 percent Protestant, and today still employs a workforce that is over 90 percent Protestant. The plant has long been a target of MacBride campaigners and, although some gains were made in Catholic recruitment due to successful affirmative action efforts in the 1990s, they were soon erased by company layoffs which were applied on a strict "last hired – first fired" policy.

Over the last six years Catholic representation in the Hughes workforce has remained static at about 9 percent, despite the fact that Belfast Catholic population is currently estimated at 48 percent. One of the factors often presented to explain this disparity is the plant's location in the militantly Protestant Castlereagh section of east Belfast. It has been alleged that this location creates a serious "chill factor" for Catholic applicants who fear that their lives will be at risk

from Protestant death squads if they were to accept employment at the Baker Hughes facility. On average, the company receives only 10 percent of its job applications from Catholics, despite the fact that the company has placed help-wanted ads in some newspapers which are widely read in the Catholic community.

Given the failure of the company's outreach programs to attract Catholic applicants, representatives of the New York City Comptroller's Office, at a meeting with plant officials in Belfast in September 2006, suggested that the company attempt to engage with elected representatives of the local Catholic community in Belfast in order to generate more Catholic applicants. Notably, similar outreach efforts by major employers in recent years have yielded significant results, as local elected officials were successfully enlisted to help convince their constituents that in a post-cease fire environment, factories located in some neighborhoods which were once considered "off limits" no longer posed a serious risk. The Belfast management's response to the proposal was initially negative. The management claimed that they did not want to "bring politics" into their plant. They did state, however, that they were not ruling out taking such action, and agreed to consult with the government's Equality Commission prior to making a final determination on this proposal.

B. Using the leverage of government procurement.

In 1991, the New York City Council enacted an ordinance asking prospective contractors to agree that, as a material condition of contracting with the City, any operations they have in Northern Ireland will be conducted in accordance with the MacBride Principles.¹⁵ Companies

¹⁵ Administrative Code of the City of New York, Section 6-115.

refusing to sign can be denied contracts or can have contracts suspended.¹⁶ Similar laws have been adopted by other jurisdictions, including New York State, Cleveland and Chicago.¹⁷

This second approach to seeking compliance with the MacBride Principles has proved effective in inducing companies to promote equality. One significant example of a company that improved practices under pressure from potential purchasers of their goods and services is Bombardier Limited, now known as Short Brothers of Belfast, a major aerospace and defense contractor. With over 7,000 employees, it is one of the largest private employers in Northern Ireland. Owned by Bombardier, Limited, of Montreal, Canada, the company has long been a target of Irish human rights activists

According to the British Fair Employment Agency, at the outset of the MacBride campaign in the mid-1980's less than 5 percent of the Short Brothers workforce was Catholic and the company was not making serious outreach efforts into the Catholic community. Moreover, there were widespread reports of Catholic workers at Short Brothers being subject to intense campaigns of intimidation. Faced with pressures from the MacBride campaign and the U.S. Congress, Short Brothers instituted several major reforms in its employment policies in the late 1980's,¹⁸ including several reforms called for by the MacBride Principles. Currently, all job openings are now publicly advertised. Special recruitment efforts have been undertaken at both Catholic and Protestant schools. The display of sectarian flags and emblems on the shop floor is prohibited. Educational

¹⁶ Under the City Charter, the Comptroller is responsible, with City agency heads, for monitoring corporate compliance with this statute. *See*, Charter of the City of New York, as amended to December 31, 1989, Ch. 13, §328 and Ch. 5, §93.

¹⁷ Appendices C and D present lists of jurisdictions with such laws, and the nature of the laws.

¹⁸ In September 1988, an amendment to the FY 1989 Defense Authorization Act (PL 100-456, Section 835) sponsored by Representative Joseph P. Kennedy (D-MA) was passed. The amendment required Short Brothers of Belfast to apply affirmative action standards in fulfilling contracts with the United States Army.

requirements for subjects not taught in Catholic schools in Northern Ireland have been dropped. Security has been improved for Catholic workers. Additionally, after several leaders of the Shorts Loyalist People's Council were identified by the company and dismissed, threats against Catholic workers decreased dramatically.

Since 1985, the Catholic proportion of the workforce of Short Brothers has almost tripled, and new hires at the company are now close to being proportionately representative of the greater Belfast population. Despite these gains, Catholics are still significantly underrepresented at Short Brothers with only 15 percent of the current workforce. The company has fallen short of its intake goals.

Since 1987, Bombardier has received more than \$800 million in subway car contracts from the New York Transit Authority and several smaller contracts from the New York City Department of General Services. The New York City Fire Department currently has a contract with the company for the construction of fire patrol boats.

C. Ongoing Enforcement Monitoring Programs Set in Place – The Institutionalization of MacBride.

As a result of the enactment of state and local legislation on the MacBride Principles, many governmental jurisdictions in the United States had statutory mandates imposed on local governments that required ongoing monitoring of adherence to the MacBride Principles by corporations in public investment portfolios. These were similar to the monitoring requirements imposed in the 1980s by South African anti-apartheid legislation in U.S. states and cities.

As the MacBride campaign advanced legislatively, with more U.S. state and municipal governments enacting laws requiring oversight of the Fair Employment Practices of companies operating in Northern Ireland, the need for independent U.S. monitoring agencies was recognized by government investment agencies. Following discussions with government officials from several of these states and cities, in 1988 the New York City Comptroller's Office approached the Investor Responsibility Research Center (IRRC) a Washington-based, not-for-profit independent research organization, requesting that they establish an ongoing research program on corporate anti-discrimination policies and practices in Northern Ireland. Out of this initiative grew the Northern Ireland Research Service of the IRRC (now owned by Institutional Shareholders Services, known as the ISS).

This service has been in operation since 1990 and has produced over 200 reports to U.S. institutional investors regarding the employment practices of U.S. and overseas companies operating in Northern Ireland. The service also sponsors regular monitoring visits by its research staff to Northern Ireland to ascertain the state of British governmental and private corporate compliance with U.S. and local statutes on the MacBride Principles and fair employment in Northern Ireland. This program has made a valuable contribution in helping to ensure that fair employment statutory policy and practice are adhered to on both the corporate and governmental level notwithstanding countervailing political and financial pressures.

IV. EFFECTIVENESS OF BRITISH GOVERNMENT ACTION

Human rights campaigners in Northern Ireland recently have produced a document presenting some of the administrative steps they consider necessary if government efforts to combat the effects of years of discrimination are to succeed. In September 2006, the Belfast-based Committee on the Administration of Justice (CAJ) released a report, “Equality in Northern Ireland – The Rhetoric and the Reality,” which sharply criticized what it described as a lack of commitment on the part of the British government to the eradication of sectarian inequality.

While they acknowledge that significant advances in employment have been made by Catholics as a result of human rights campaigning in Ireland and America, they point out that these benefits have been felt mainly by middle-class Catholics, and that the position of the poor, both Catholic and Protestant, continues to deteriorate. This trend has been exacerbated by the effects of globalization, which in recent years, has eliminated many well-paying working class jobs.

The Committee on the Administration of Justice has proposed the following:

- The government must fully enforce the statutory duty in the 1998 Good Friday Agreement (Section 75) which requires all government agencies and departments to prepare “equality impact statements” for all major decisions. According to the report, the British civil service in the North has been especially resistant to using the power of government procurement and investment decisions to promote equality, as required by law.

- The government must commit itself to meaningful affirmative action goals and timetables to reduce inequalities. As early as 1987, the government's own Standing Advisory Commission on Human Rights urged the government to publicly commit itself to a significant reduction in the employment differential between Catholics and Protestants within a set time period.¹⁹ The government did not accept this recommendation. At that time, near the outset of the MacBride Principles campaign, Catholics were two and a half times more likely to be unemployed as Protestants. Today, the situation has improved, but Catholics are still one and one half times as likely to be unemployed as Protestants.
- Contract compliance provisions of the Fair Employment Act should be strongly enforced. Since 1990, no employer has been barred from public grants and contracts for failure to comply with the Act. By way of contrast, city and state enforcement of the contract compliance provisions of U.S. MacBride Principles legislation, has pressured a number of major companies to adhere to fair employment standards.

¹⁹ Standing Advisory Commission on Human Rights, *Religious and Political Discrimination and Equality of Opportunity in Northern Ireland, Report on Fair Employment*, (London: Her Majesty's Stationery Office, 1987), p. 170.

V. CONCLUSION

The MacBride Principles campaign has accomplished a great deal in its 22 year history. The workplace is now considered to be the most integrated sector of society in Northern Ireland. A substantial number of companies have agreed to implement fair employment principles, and significant improvements have been seen. Over the last five years alone, the list of companies that have signed on to MacBride has increased by a full 25 percent, in large measure due to the strong commitment of Comptroller Thompson and the tradition established by his predecessors.

In years to come, the Comptroller's office will continue its aggressive pursuit of workplace equality and safety in Northern Ireland. Although the MacBride campaign in the United States still faces challenges in obtaining a greater number of commitments from United States and foreign-based companies, its efforts will not flag. In Northern Ireland, the campaign will persist in its focus on securing equality in employment and monitoring the British government's enforcement of the Fair Employment Act.

A vital aspect of campaign's success has been and will continue to be the close relationship between the U.S. MacBride campaign and strong enforcement of fair employment legislation in Northern Ireland. Again, as Inez McCormack, the prominent trade union official and MacBride Principles sponsor has observed, "more change has taken place in Northern Ireland (regarding fair employment) because of external pressure than from 30 years of non-violent internal campaigning."²⁰

²⁰ "U.S. Groups in Ulster Face Opposition to Pro-Catholic Code", Financial Times (London), December 2, 1992.

APPENDIX A

THE MACBRIDE PRINCIPLES FOR NORTHERN IRELAND

"In light of decreasing employment opportunities in Northern Ireland and on a global scale, and in order to guarantee equal access to regional employment the undersigned propose the following equal opportunity/affirmative action principles:

- Increasing the representation of individuals from underrepresented religious groups in the workforce including managerial, supervisory, administrative, clerical and technical jobs.
- Adequate security for the protection of minority employees both at the workplace and while traveling to and from work.
- The banning of provocative religious or political emblems from the workplace.
- All job openings should be publicly advertised and special recruitment efforts should be made to attract applicants from underrepresented religious groups.
- Layoff, recall, and termination procedures should not in practice favor particular religious groupings.
- The abolition of job reservations, apprenticeship restrictions, and differential employment criteria, which discriminate on the basis of religion or ethnic origin.
- The development of training programs that will prepare substantial numbers of current minority employees for skilled jobs, including the expansion of existing programs and the creation of new programs to train, upgrade, and improve the skills of minority employees.
- The establishment of procedures to assess, identify, and actively recruit minority employees with potential for further advancement.
- The appointment of a senior management staff member to oversee the company's affirmative action efforts and the setting up of timetables to carry out affirmative action principles."

Sean MacBride -- Dublin, Ireland

Dr. John Robb -- Ballymoney, Northern Ireland

Inez McCormack -- Belfast, Northern Ireland Fr.

Brian Brady -- Belfast, Northern Ireland

APPENDIX B

CORPORATE AGREEMENTS ON THE MACBRIDE PRINCIPLES AND DATES OF AGREEMENT

1. Alberto Culver	2005
2. AES Corporation	1996
3. Alcoa	2002
4. Alexander & Alexander Services	1991
5. Allstate Corporation	2000
6. AM International	1991
7. American Home Products	1991
8. Analog Devices	2002
9. AON Corporation	2002
10. AT & T	1992
11. Avery Dennison	1992
12. AVX	1996
13. Berkshire Hathaway	2006
14. Bemis Corporation	1997
15. Blockbuster, Inc.	2001
16. Caterpillar, Inc.	2002
17. Chesapeake Corporation	2001
18. Citigroup	2001
19. Coca-Cola Company	2005
20. Computer Sciences	2004
21. Conoco	1999
22. Crawford	2004
23. Dana Corporation	1995
24. Danaher Corporation	2003
25. Data General	1991
26. Digital Equipment	1989
27. Donnelly (R.R.) & Sons	1999
28. Dupont	1992
29. Emerson Electric	1998
30. Estee Lauder	1999
31. Federal Express	1990
32. Ford Motor Company	1998
33. Fort James	1998
34. Fruit of the Loom	1991
35. Gap, Inc.	2001
36. GATX Corporation	1993
37. General Electric	1998
38. General Motors	1995
39. Goodrich Corporation	1993
40. Goodyear Tire	2001
41. Hewlett Packard	1993
42. Honeywell	1998
43. Household International	1998
44. Hyster (NACCO Industries)	1991
45. IBM	1992
46. Interface	2004
47. Keyspan	1997
48. Marsh and McLennan	1994
49. McDonald's Corp.	1994
50. Merck & Co.	2002

51. Meridian Medical Technology	2002
52. Microsoft	2004
53. Minnesota Mining (3M Corp.)	1996
54. Northern Telecom (BCE Corp.)	1993
55. NTL, Inc.	2002
56. NYNEX	1990
57. Omnicom Group	2002
58. Oneida	1991
59. Openwave Systems	2005
60. Pepsico	2004
61. Petsmart	1999
62. Pfizer	2001
63. Phillip Morris	1995
64. Pitney Bowes	1990
65. Procter & Gamble	1991
66. Reynolds Metals	1994
67. Sara Lee	1991
68. Shaw Industries	1996
69. Solectron	2001
70. Sonoco	1991
71. Sun Healthcare	1999
72. Teleflex	1991
73. Teletex Holdings	2005
74. Terex Corp.	2006
75. Texaco	1991
76. Toy's 'R' Us	1999
77. Tyco International	1994
78. Unisys	1993
79. United Technologies	2001
80. Verizon	2000
81. VF Corporation	1992
82. Viacom	1999
83. Visteon Group	2002
84. Warnaco	1995
85. Waste Management	1998
86. Watson Pharmaceuticals	2002
87. Westinghouse Electric	1995
88. Xerox Corporation	1996

APPENDIX C

LOCAL LAWS AND RESOLUTIONS ON FAIR EMPLOYMENT IN NORTHERN IRELAND

(A) Monitoring (B) Report (C) Shareholder action (D) Investment Guidelines/Discretionary
divestment (E) Mandated divestment (F) Selective contracting

Jurisdiction	A	B	C	D	E	F	Type of Measure	Date
Albany Cty, NY						x	Ordinance	May 1993
Baltimore, MD			x				Ordinance	Apr 1993
Binghamton, NY						x	Resolution	Jul 1991
Boston, MA						x	Executive order	Aug 1989
	x				x		State "home rule" law	Dec 1990
Burlington, VT	x	x	x	x	x		Resolution	1989
Chicago, IL						x	Ordinance	Feb 1993
Cleveland, OH	x	x				x	Ordinance; amended March 1992	May 1991
Detroit, MI				x			Resolution	Oct 1987
Hartford, CT	x	x	x				Resolution	Mar 1986
Kansas City, MO	x	x					Resolution	Mar 1991
Lackawanna Cty, PA					x		Ordinance	Aug 1990
Minneapolis, MN				x			Ordinance	Jun 1988
Monroe, NY			x	x		x	Resolution	Feb 1991
New Haven, CT	x	x			x		Order; expired	Aug 1989
New York, NY						x	Ordinance	Sep 1991
Omaha, NE	x			x			Ordinance	Apr 1995
Painesville, OH						x	Resolution	Mar 1992
Parma, OH						x	Resolution	Mar 1992
Philadelphia, PA	x	x			x		Ordinance	Hun 1987
Pittsburgh, PA	x			x			Two ordinance	Aug 1988
Rochester, NY	x	x				x	Ordinance	Feb 198
Rockland Cty, NY		x					Resolution on bank ties to Northern Ireland	May 1986
St. Louis, MO	x	x					Ordinance; expired	Apr 1990
St. Paul, MN				x			Policy	Feb 1988
San Francisco, CA	x	x	x			x	Ordinance	Mar 1989
Scranton, PA		x				x	Ordinance	May 1990
Springfield, MA	x		x				Resolution	Apr 1987
Tucson, AZ	x		x				Ordinance	Nov 1988
Wilmington, DE	x		x	x			Ordinance	Feb 1987
Yonkers, NY						x	Ordinance	May 1992

In addition to these laws and resolutions, fifteen local jurisdictions have passed resolutions, proclamations or memorials expressing support for the MacBride principles. These measures, which appear to be largely or wholly symbolic, are on the books in Bucks County, PA; Bridgeport, CT; Carbondale, PA; Cleveland, OH; Cuyahoga Cty, OH; Honolulu, HI; Lawrence, MA; Orangetown, NY; Reminderville, OH; Rockland Cty, NY; Santa Cruz, CA; Tucson, AZ; Union City, NJ; West Caldwell, NJ; and Westchester County, NY.

Source: Investor Responsibility Research Center

APPENDIX D

STATE LAWS, RESOLUTIONS AND LEGISLATION ON FAIR EMPLOYMENT IN NORTHERN IRELAND

(A) Monitoring (B) Report (C) Shareholder action (D) Investment Guidelines/Discretionary
divestment (E) Mandated divestment (F) Selective contracting

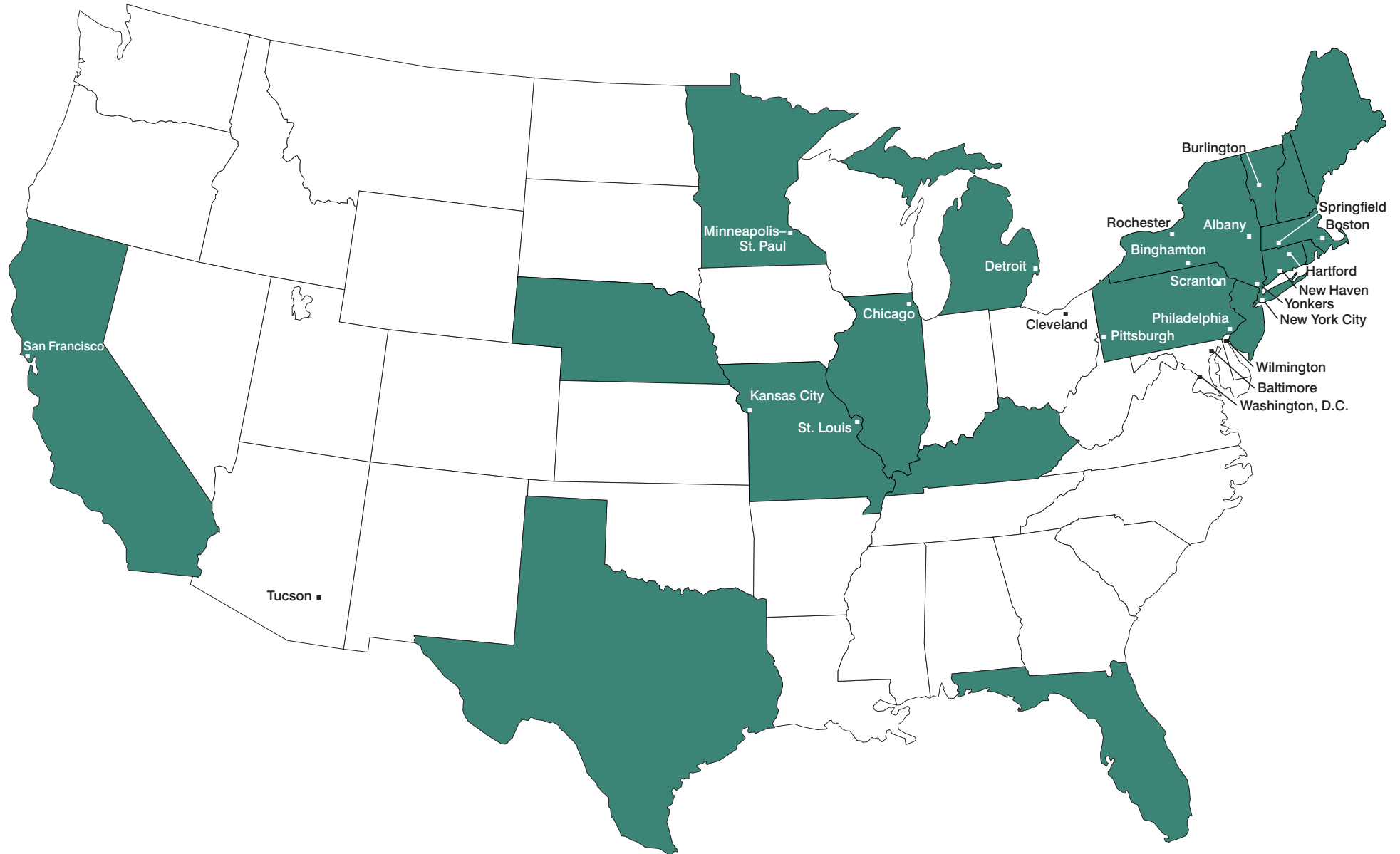
Jurisdiction	A	B	C	D	E	F	Type of Measure	Date
California	x	x	x				Law	March 1999
Connecticut	x		x		x		Law	May 1987
District of Columbia	x	x		x			Law	Feb 1993
Florida	x	x		x			Law; modified June 1989	Jul 1988
Illinois	x						Law; expired Sept. 1988	
Kentucky	x			x			Binding resolution	May 1994
Maine	x	x	x				Law; Modified 1991	Apr 1988
Massachusetts	x	x	x				Law	Nov 1985
"						x	Law	March 1995
Michigan			x				Law	Oct 1988
Missouri	x		x				Law	Apr 1994
Minnesota	x		x				Law	May 1994
New Hampshire	x		x	x			Law	Apr 1989
nebraska	x		x				Law	Apr 1994
New Jersey	x	x	x				Law	Jul 1987
"						x	Law	May 1995
New York	x	x		x			Law	May 1986
"						x	Law	Aug 1992
Pennsylvania	x			x			Law	May 1992
Rhode Island	x	x	x	x			Law	Jul 1987
Texas	x			x			Law	Jun 1993
Vermont	x	x	x				Law	May 1989
Virginia							Nonbinding resolution supports MacBride	Mar 1990

Source: Investor Responsibility Research Center

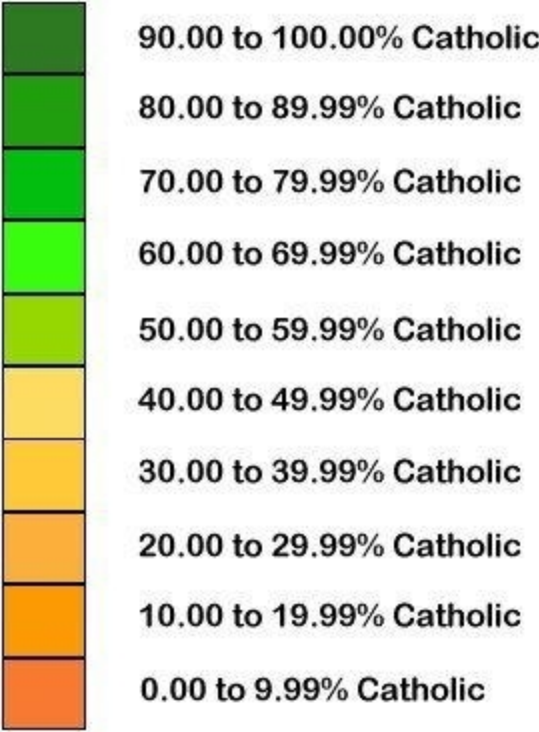
State and City Legislation Enacted on the MacBride Principles

■ State legislation enacted

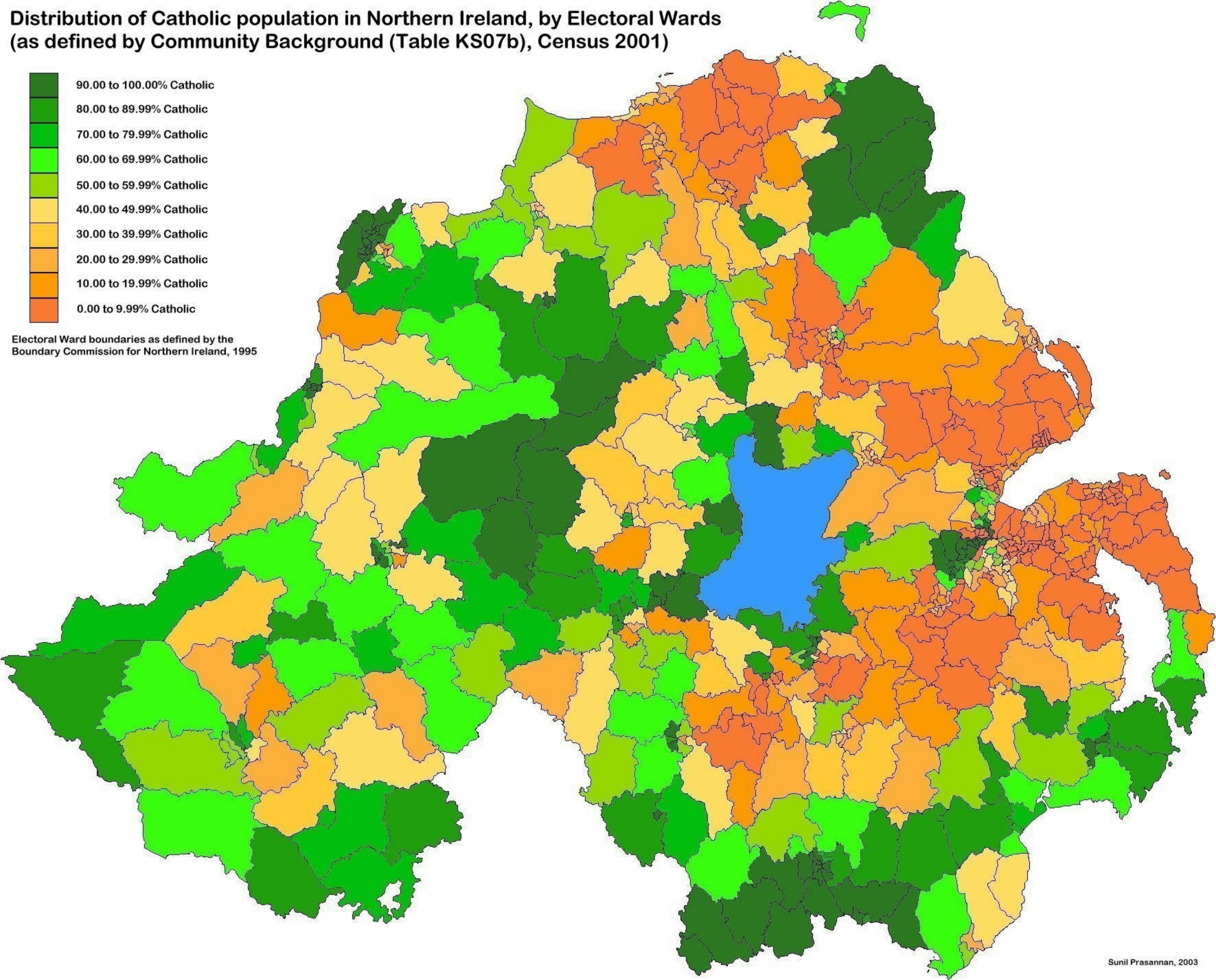
●/○ City legislation enacted



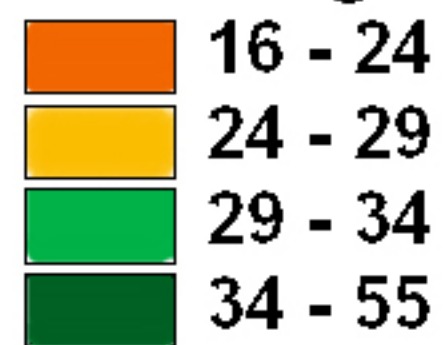
**Distribution of Catholic population in Northern Ireland, by Electoral Wards
(as defined by Community Background (Table KS07b), Census 2001)**



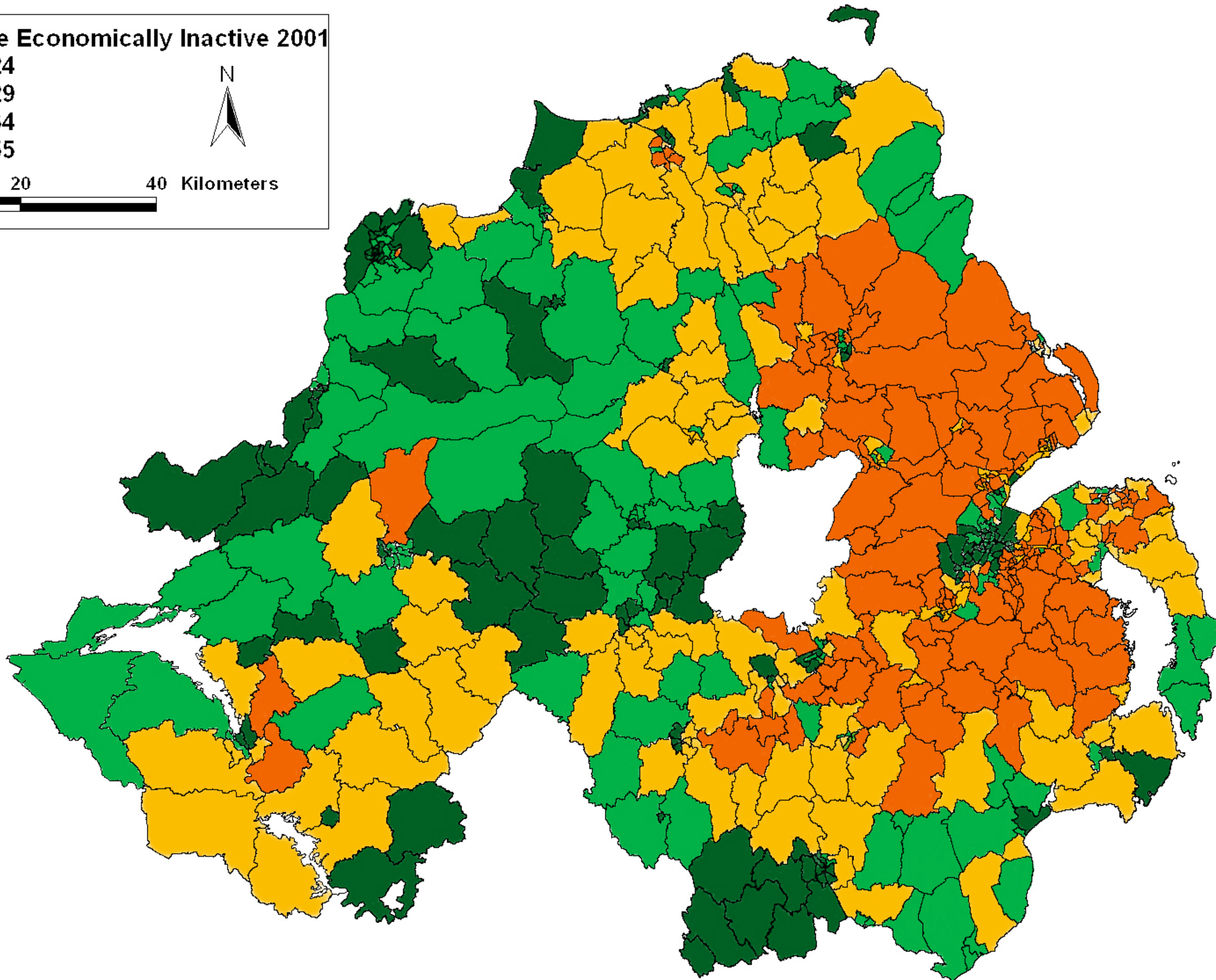
Electoral Ward boundaries as defined by the
Boundary Commission for Northern Ireland, 1995



Percentage Economically Inactive 2001



0 20 40 Kilometers



Map 5.2 Multiple Deprivation Measure for Northern Ireland (SOAs)

