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The Perception of Economic Assistance in the Northern Ireland Peace Process: The Impact of IFI and EU Peace I on Equity and Awareness

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Abstract

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Keywords: *1998 Good Friday Agreement (GFA), conflict resolution, economic assistance, European Union (EU) Special Support Program for Peace and Reconciliation, International Fund for Ireland (IFI), Northern Ireland Peace Process*

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The Impact of IFI and EU Peace I on Equity and Awareness**

**Sean Byrne, Cynthia Irvin,
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Abstract

Most international donors believe that promoting economic development deescalates ethnic conflict, thus enhancing the prospects for peace as ethnic communities negotiate settlements and bridge their political divisions. However, little empirical research has addressed the potential effects of external economic assistance in the rebuilding of those societies. This study explores the perceptions of a representative sample of Northern Irish citizens on their awareness of the activities of International Fund for Ireland and the European Peace I fund toward economic development, the perceived equity of its distribution, and its contribution to building peace in Northern Ireland.

Introduction

Economic assistance is an accepted mode of conflict intervention to build the peace dividend in divided societies (Galtung, Jacobson, and Brand-Jacobson, 2002; Pearson, 2001). Economic assistance can serve as an important component of eclectic peacebuilding models to win the peace, empower the grassroots, and build sustainable development in post-conflict societies (Byrne, 2001). However, economic assistance on

its own is not a panacea to resolve deep-rooted protracted ethnopolitical conflicts (Byrne, 2008). Within the context of the Northern Ireland peacebuilding process, economic assistance from the International Fund for Ireland (IFI) and European Union (EU) Special Support Program for Peace and Reconciliation or Peace I fund, is attempting to tackle structural inequalities, bridge the sectarian wall, and transform the civic culture by drawing grassroots support for the peace process (Byrne and Irvin, 2001, 2002).

This article covers an important subject, given that the statistical measurement of people's perceptions of both funding agencies in Northern Ireland had not been undertaken before our survey. The objective of this article is to examine the public's awareness of external economic assistance on economic development, as well as the perceived equity of its distribution. This article presents univariate and multivariate statistical analysis on the issues of public awareness of external economic assistance in Northern Ireland, as well as the perceived equity of its distribution. The importance of this study is not being overemphasized. We have little empirical evidence of the impact of the economic resources from both funding agencies to transform the conflict (McGarry and O'Leary, 1995). This article finds that public awareness of external economic assistance on economic development, as well as perceived equity of its distribution varies across religion, gender and political affiliation of respondents in Northern Ireland.

The article employs data from a public opinion survey. In 1997, before the 1998 Belfast Agreement and the return of devolved government to Northern Ireland, we commissioned Ulster Marketing (now Millward Brown Ulster) to conduct our public opinion survey as part of its omnibus series to assess the public's perceptions of both funds. Ulster Marketing has carried out frequent public opinion polls in Northern Ireland

over the past 20 years to elicit people's opinions on a broad array of socioeconomic and political issues (Irwin, 2001). Our survey focuses on public awareness of external economic assistance in Northern Ireland, the perceived equity of its distribution, and its effectiveness in mitigating political violence.

The article is organized as follows: The first section discusses external economic assistance and the Northern Ireland conflict followed by a brief methodological note. The second section presents the statistical analyses of the data. Section three presents a discussion of the results from section two, and section four concludes.

Economic Assistance and the Northern Ireland Conflict

Conflict resolution and peacebuilding will not be successful unless it promotes human and socioeconomic development (Pearson, 2001). The International Monetary Fund and the World Bank have made economic aid conditional on post-conflict states integrating democratic values into the civic culture as well as promoting liberal economic policies (Lederach, 1997). Socioeconomic development is needed to tackle chronic unemployment, a root cause of protracted ethnic conflict (Byrne, 2001). Economic aid is not a panacea, however, and may in fact serve to heighten group egotism, not reduce it (Ryan, 1996). Foreign investment rebuilds the economic infrastructure creating employment opportunities, but often ignores relationship-building skills, thus potentially heightening destructive stories (Senehi and Byrne, 2006). During the 1920s, populist Unionist policies increased unemployment among alienated Nationalists, and prevented a

working class alliance across ethnic divisions (Bew, Gibbon, and Patterson, 1979, 1995). Any redistribution of political power or economic resources was perceived as a threat to the hegemonic position of Unionists (Maney, 2005). The Northern Ireland Civil Rights Association (NICRA) protested to level the playing field for Catholic Nationalists to have fair access to employment and housing opportunities (Maney and others, 2006). The resulting Loyalist violence against NICRA escalated the conflict, which spiraled into ultimate chaos (Wright, 1987). The Provisional Irish Republican Army (PIRA) eventually attacked British troops sent to Northern Ireland to restore order.

Northern Ireland's economy is public sector dependent, subsidized, and reliant on the British Exchequer (Dixon, 2001). British economic policy sought to stabilize and manage, rather than tackle the underlying roots of the conflict (Bew and Patterson, 1985). Alienation, unemployment, sectarianism, and lack of hope left Republican and Loyalist working class males feeling despondent and distrustful of British government intentions, serving to burgeon the ranks of rival paramilitary groups (Irvin, 1999).

In 1994 after reciprocal ceasefires by the PIRA and the Combined Loyalist Military Command, the EU established the EU Peace I program to lay the foundations for sustainable and durable peace (McCall and O'Dowd, 2008). The IFI was set-up in the wake of the 1985 Anglo Irish Agreement (AIA) to encourage economic development, and to promote contact, dialogue and reconciliation between Unionists and Nationalists. The EU Peace I fund (1994-1999) was replaced by EU Peace II funding, which was phased out in 2006. The Special EU Programs Body (SEUPB) was established to administer all EU aid under the peace programs.

The EU Peace I fund and the IFI has worked to reduce structural inequalities and

uncertainty, empower the grassroots in disadvantaged areas, and has, in general, supported the peace process (Byrne and Ayulo, 1998). Both funding agencies have also sought to promote reconciliation and social inclusion by nurturing socioeconomic and rural regeneration in a sustainable way that consolidates the peace process (Byrne and others, 2006; Irvin and Byrne, 2002). The peace through development approach in Northern Ireland, however, has met with mixed results (Byrne and Irvin, 2001, 2002).

Is there a link in Northern Ireland between prosperity and the fact that peace is the end of the long war? The role of economic assistance coupled with the cooperative partnership of both governments and the international community that resulted in the 1998 Good Friday Agreement (GFA) is critical to building peace over the long-term. The British and Irish Governments built confidence-building mechanisms into the GFA to address the distrust felt by both communities such as: (1) reform of policing, (2) decommissioning of paramilitary arms, (3) prison release, and (4) emergency legislation and the withdrawal of the British military (Wilford, 2000). In 1994, the EU created the Peace I fund to shore-up the political process and build the peace dividend. In addition, the provision of economic assistance through the IFI, President Clinton's visits to Northern Ireland, and his appointment of Senator George Mitchell to facilitate a mediation of all of the political parties and paramilitaries, resulted in the Catholic community and a slight majority of Protestants supporting the 1998 GFA (Byrne, 2007). While he was President, "Bill Clinton acting as a primary mediator set-up political inducements to get all of the parties to the table, as well as expanding the economic pie by providing economic aid for impoverished areas through the IFI" (Byrne, 2002, p.139).

The most difficult stumbling block in the current stalemate is overall mistrust of the process, indicative of mainstream Unionist distrust of the decommissioning of paramilitary arms, the restructuring of the Royal Ulster Constabulary (RUC), the prisoner release of convicted paramilitaries, and shrinking confidence in the pro-agreement Unionism of the UUP (Aughey, 2000; Dixon, 2001). The GFA includes one community negotiating with a political party that has been vilified as terrorists in the past, and another community that has abandoned support for political violence in pursuit of the goal it has been fighting to achieve over the past thirty years (Cox, Guelke and Stephen, 2000, p.5). In addition, deprivation and poverty are a deep-rooted cause of the conflict. We argue that if external economic assistance is to assist in reducing poverty and inequality, popular awareness about these funds should be expanded. The first step towards the road to development is to make people aware of the opportunities for funding their projects, and make sure the distribution of the funds is equitable across community groups. Unbalanced distribution of international funds could further escalate the tension between the two major communities in Northern Ireland.

Data and Methodology

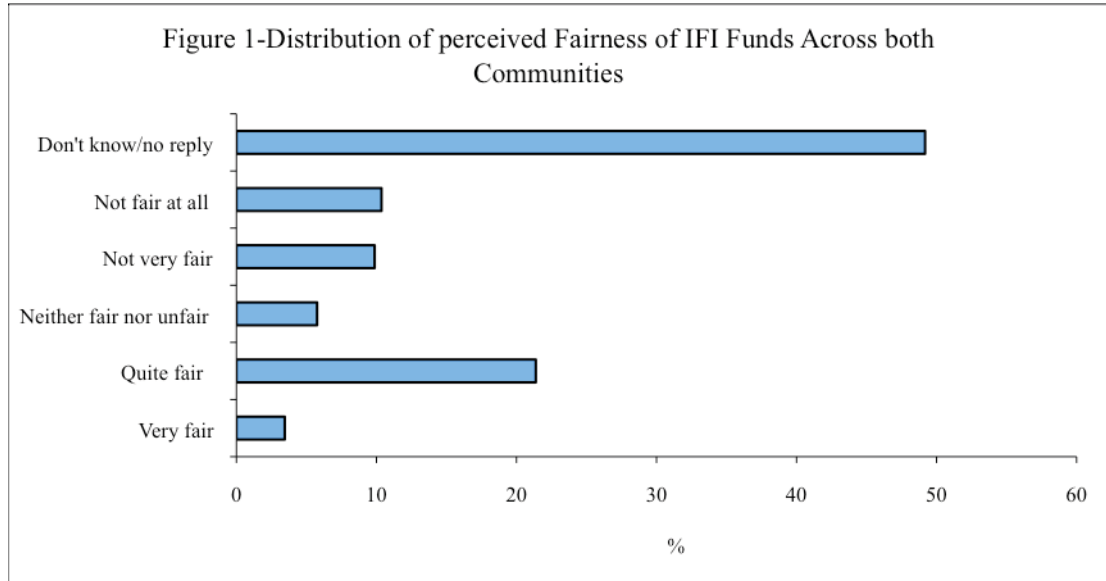
A representative sample of 610 adults (18+) were interviewed from August 6 to 8, 1997 by fully trained and experienced interviewers, according to the definitive quality standards of the Interviewer Quality Control Scheme (IQCS). All interviewing was carried out face-to-face at 50 sampling points selected at random throughout Northern Ireland. Interviews normally took place in the respondent's home. The sample was

controlled by gender, age, class, and religion. The sample yielded motorists, housewives and/or heads of households, and city and rural residents. 52 percent of the sample is female and 48 percent is male, while 62 percent of the sample is Protestant, and 34 percent is Catholic. Further, 45 percent of the sample is in the professional class category, 21 percent is in the skilled labor category, and 34 percent is in the unskilled labor category. We employ univariate analysis and discrete choice regression models (binary probit/logit and ordered probit/logit) to analyze our sample. We use discrete choice models in our regression analysis because our dependent variables are categorical variables.

Perceived Equity of IFI

This section presents the perception of respondents toward the fairness of the IFI fund across the whole sample. Figure 1 depicts the distribution of perceived fairness of the IFI funds across both communities. It is interesting to note that 49 percent of the sample did not respond or were unsure about the fair distribution of the IFI across both communities. According to Figure 1, about 50 percent of the respondents abstained from expressing an attitude toward the equity of these funds, which could be as a result of unfamiliarity with

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Source: August 1997 Ulster Marketing Survey

the funds or hostility toward one or more of the funding agencies. In the past, Protestants perceived the IFI as an agency that provided U.S. blood money to the people of Northern Ireland (Byrne and others, 2006). Figure 1 suggests that about 30 percent of the respondents perceive that the distribution of the IFI funds were fair. Among the sample, 20 percent expressed that the distribution was not fair, and 10 percent assessed the distribution to be neither fair nor unfair.

Next we report the distribution of perceived fairness of the IFI funds across different categories of the society. Table 1 reports the relative frequency distribution of perceived fairness of IFI funds between the communities by religion, economic class and gender. As far as the distribution across economic class is concerned, respondents from the professional class are more likely than respondents from other groups to rate the distribution of the IFI fund across communities to be fair. The P-value of the Pearson chi-square is below 0.05, which indicates that the rows and columns of the contingencies are independent and it is worthwhile to interpret the cells in the contingency table.

Table 1.
Distribution of perceived fairness of IFI funds by religion, economic class and gender.

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	Very fair	Quite fair	Neutral	Not very fair	Not fair	Don't know
Economic Class						
Professional	14	71	14	23	22	123
Skilled	1	25	10	15	11	67
Semi Skilled	6	34	11	22	30	109
Pearson Chi-square	17.6 (P-value =0.024)					
Sex						
Male	11	53	17	20	19	24
Female	8	39	9	26	18	24
Pearson chi2(5)	1.99 (P-value=0.741)					
Religion						
Protestant	6	66	23	49	51	182
Catholic	15	57	10	9	12	128
Pearson Chi2(10)	37.43 P-value=0					

Source: August 1997 Ulster Marketing Survey

Table 1 suggests that male respondents are not more likely to perceive the distribution of the IFI funds as fair compared to their female counterparts. The p-value of Pearson's Chi-square is higher than 10 percent, which implies that the distribution of perceived fairness across gender is not statistically different from zero, suggesting that there is no statistical difference in the perception of the fairness of the IFI funds across gender. As far as the perception of the fairness of the IFI funds across religious affiliation is concerned, the Chi-square test in Table 1 indicates that more Catholics, in terms of percentages, rate the fairness of the distribution to be "very fair" and "quite fair" than Protestants. Protestants may be of the opinion that the U.S. and the EU are interfering in their internal affairs through both funding agencies, whereas Catholics perceive the aid as critical to tackling poverty and alienation. On aggregate, Protestants are more likely than Catholics to rate

the distribution as unfair. These conclusions of the univariate analysis are also reinforced by the multivariate analysis we conduct in the subsequent sections.

Table 2.
Distribution of perceived fairness of IFI funds between communities by political party

Political party	Very fair	Quite fair	Neutral	Not very fair	Not fair	Don't know	Total
Ulster Unionist Party	2	22	5	21	20	53	123
Democratic Unionist Party	1	8	4	9	7	19	48
Alliance	1	16	3	1	1	15	37
Progressive Unionist Party	0	3	0	4	9	6	22
Unionist Democratic Party	1	4	3	1	2	8	19
UK unionist (UKUP)	0	1	0	1	1	3	6
Conservative Party	0	1	0	4	1	6	12
SDLP	7	34	7	4	7	42	101
Sinn Fein	6	10	3	3	1	23	46
Women's Coalition	0	1	0	0	0	4	5
Undecided/not sure	3	8	4	4	7	44	70
Would not vote	0	17	6	6	7	69	105
No reply	0	5	0	2	0	7	14
Total	21	130	35	60	63	299	608
Pearson chi2(60)	90.063				Pr =0.005		

Source: August 1997 Ulster Marketing Survey

Table 2 reports a Chi-square test for the distribution of perceived fairness of IFI funds between communities by political party. The Pearson chi-square suggests that the rows and columns of the contingencies are independent. The supporters of the Unionist/Loyalist block are far more likely to view the distribution of monetary funds from the IFI as more unfair, than those supporting the non-confessional Alliance Party and the now defunct Women's Coalition block or the Nationalist Social Democratic and Labour Party (SDLP) and Republican Sinn Fein (SF) block. In other words, on average the supporters of SDLP and SF seem to rate the distribution to be fairer than the others. One would assume that the Loyalist Progressive Unionist Party (PUP), and the now

defunct Ulster Democratic Unionist Party (DUP) supporters would also rate the distribution of the funding to be fair.

Table 3 reports the ordered logit model for perceived equity of the IFI. Note that in the ordered logit model estimated in Table 3, the sample size is reduced to 309 because of the exclusion of respondents who did not want to express their views on the fairness of IFI, and the “don’t know” responses. Fortunately, the exclusion of the non-responses does not alter the main conclusions. The regression analysis suggests that not all of the variables are correlated with perceived equity. More specifically, perceived fairness is positively correlated with those voting for the Alliance Party than for the other political parties. Further, the perceived equity of these funds is negatively correlated with those respondents with UUP and PUP party affiliations. That is to say, all things remaining constant, the supporters of UUP and PUP political parties have a relatively negative attitude towards the distribution of IFI funds. By and large, the probability of rating the fairness of the IFI funds is positively associated with SDLP and SF party membership.

As far as the coefficients of the economic class variables are concerned, Table 3 reports that the coefficient for the dummy variable for respondents from the professional class is negative and significant at the 5 percent level of significance, suggesting that the respondents from the professional economic class are more likely to perceive the distribution of the IFI fund as fair, compared to respondents from the semi-skilled class. Moreover, the results in Table 3 shows that the coefficient of gender is not statistically significant at less than the 10 percent level of significance. Overall, the results from the regression analysis tend to support the conclusions from the chi-square analyses in the previous sections.

Table 3.
Ordered logit models of fairness

	IFI Fund		EU Peace I Fund	
	Coefficient	SD	Coefficient	SD
Gender	-0.009	0.222	0.222	0.242
Professional	-0.740	0.251	0.044	0.270
Skilled	0.148	0.305	-0.430	0.351
UUP	0.622	0.313	-0.696	0.332
DUP	0.462	0.400	-1.156	0.500
Alliance	-1.115	0.465	0.367	0.490
PUP	1.742	0.553	-2.455	0.635
UDP	-0.208	0.599	-0.046	0.649
UKUP	0.696	1.044	-1.051	1.078
Conservative	0.835	0.714	-1.262	0.766
SDLP	-0.944	0.348	0.250	0.381
Sinn Fein	-1.628	0.497	0.939	0.500
Woman Coal	-2.042	1.849	-0.907	1.649
Age	0.006	0.006	-0.087	0.095
Catholic	0.705	0.627	0.705	0.627
Ancillary parameters				
Cut Point 1	-3.129	0.472	-1.629	0.593
Cut Point 2	-0.208	0.412	-0.705	0.581
Cut Point 3	0.356	0.414	0.150	0.578
Cut Point 4	1.479	0.426	3.293	0.633
N	309		268	
Lr Chi 2(14)	71.17		50.570	
Likelihood	-407.92		-345.45	

Source: August 1997 Ulster Marketing Survey

Perceived equity of EU peace I fund

So far we have considered the perceived equity of IFI funded projects. Now we turn to the EU Peace I funded projects. Table 4 depicts the distribution of perceived equity towards the EU funded projects by religion, gender and economic class. As in the case of the perceived fairness of IFI funds, Table 4 clearly demonstrates that there is a large number of “don’t know” responses.

Table 4.
Perceived fairness of EU Peace I fund by religion, gender and economic class

	Very Fair	Quite Fair	Neutral	Not Very Fair	Not Fair	Don't know
Religion						
Protestant	1	18	8	8	8	58
Catholic	6	27	7	3	4	54
Other/refused	0	24	5	5	10	57
Pearson Chi2(10)	22.73					
Sex						
Male	4	27	7	5	8	49
Female	2	16	7	7	6	62
Pearson Chi2(5)	15.70	(P=0.008)				
Class						
Professional	5	21	6	8	9	51
Skilled	1	16	6	13	12	52
Semi Skilled	2	13	7	10	14	54
Pearson chi2(10) =	5.51	(P=0.702)				

Source: August 1997 Ulster Marketing Survey

Table 5 reports that the perceived fairness of the EU Peace I fund is not free of the religious affiliation of respondents. The data in Table 5 suggests that the percentage of Catholics who perceive the distribution of the EU Peace I fund to be fair is higher than the percentage of Protestants who perceive the distribution of the EU Peace I fund to be fair. As far as gender is concerned, more male respondents seem to rate the distribution of the EU Peace I fund to be relatively fair, compared to their female counterparts. The data in Table 5 also indicates that the perceived fairness of the EU Peace I fund does not seem to vary across the economic class of respondents. The Chi-square test shows that the differences across economic class are not statistically significant at less than the 20 percent level of significance.

Table 5 reports the Chi-square test for perceived fairness of the EU Peace I fund between communities by political party. The Chi-square test shows that there is a statistically significant variation in the distribution of perceived fairness across the political party spectrum. The supporters of the SDLP seem to rate the distribution as “quite fair” more than any other group. The other cells can also be interpreted likewise. Also notice that the non-response rate is more than 50 percent; more correctly, 3 respondents preferred to respond “I don’t know”. Besides, there are many people who would not vote and don’t know how to rate the fairness of the EU funded projects.

Table 5.
The distribution of perceived fairness of EU Peace I fund

Political party	Very fair	Quite fair	Neither fair nor unfair	Not very fair	Not fair	Don't know	Total
Ulster Unionist Party	1	28	10	13	13	58	123
Democratic Unionist Alliance	0	5	3	4	4	32	48
Progressive Unionist	2	11	5	1	1	17	37
Democratic Unionist Party	0	1	1	3	6	11	22
UK Unionist (UKUP)	0	5	3	0	1	10	19
Conservative	0	1	1	0	1	3	6
SDLP	0	1	1	3	0	7	12
Sinn Fein	6	24	6	5	6	54	101
Women's Coalition	6	11	5	1	1	22	46
Undecided/not sure	0	1	0	0	1	3	5
Would not vote	1	19	2	1	4	43	70
No Reply	0	18	8	4	3	72	105
Total	1	4	0	1	0	8	14
Pearson	17	129	45	36	41	340	608
	chi2(40) =		70.8353	Pr =		0	

Source: August 1997 Ulster Marketing Survey

Next we examine the perceived fairness of the EU Peace I fund across religion, gender, political party affiliation, and economic class by employing multivariate analysis in Table 6. Before discussing the results in Table 6 an explanation on the effective sample size is in order. The “I don’t know” responses were excluded from the effective sample. We only use the responses that make sense for regression analysis. Besides, the fact that the dependent variable is a categorical variable makes the ordered logit/probit model more appropriate for the multivariate analysis.

The second column of Table 3 reports the marginal effects of an ordered probit model at mean values. The interpretation of the marginal effects is straightforward. For instance, the probability of a male person perceiving the EU Peace I fund to be fair is more than 22 percent higher than a female counterpart. As far as one’s political affiliation is concerned the supporters of PUP, DUP, and UUP are more likely to perceive the distribution to be unfair than the supporters of other political parties. Table 3 suggests that the supporters of the SDLP and SF are more likely to perceive the distribution to be fair, than the supporters of other political parties. Note that gender was a significant variable in the case of the IFI funds, but not in the perceived distribution of the EU Peace I fund. The cut points are also significant suggesting that there is a reasonable ordering in the responses.

Perceived Awareness of the

IFI and the EU Peace I Fund

In this section we present the perceived popular awareness of both the IFI and EU Peace I fund in our sample. Table 6 reports the perceived awareness of the IFI funds

across religion, gender and economic class. As far as gender is concerned Table 6 suggests that

Table 6.
Perceived awareness of IFI Fund by religion, gender and economic class

	No	Yes
Religion		
Protestant	26%	74%
Catholic	17%	83%
Other/refused	29%	71%
Pearson Chi2(10)	6.06	0.05
Sex		
Male	16%	84%
Female	29%	71%
Pearson Chi2(5)	16.06	(P=0.000)
Class		
Professional	14%	86%
Skilled	26%	74%
Semi-skilled	32%	68%
Pearson chi2(10) =	5.51	(P=0.702)

Source: August 1997 Ulster Marketing Survey

males are more likely to be aware of the IFI program than females. This can be explained in part by the network effect that men enjoy by assuming leadership positions in society, such as leadership of NGOs. Table 6 reports the Chi-square test for the distribution of awareness of the IFI across class is also statistically significant which implies that respondents from the Professional class are more likely to be aware of the IFI than the other classes. Likewise respondents from the DE (semi-skilled) class are less likely to be aware of the IFI than the respondents from the other two classes. Moreover, Table 6 indicates that the distribution of the perceived awareness of the IFI Fund is not the same across different religious groups. Catholics are less likely to be aware of the IFI funds

than Protestants. Overall, Table 6 suggests that more than 70 percent of the respondents are aware of IFI funds in Northern Ireland.

Next we present the results from a probit model to examine any systematic association of awareness of the IFI with respect to the different variables. In other words, this section examines the determinants of the awareness of the IFI in Northern Ireland. The explanatory variables in the regression analysis are: class, religion, political party affiliation, gender, and age. As is common knowledge in the econometrics literature, the coefficients of the probit model are not marginal effects, and for this reason we report the marginal effects in Table 7.

Table 7.
Probit model of awareness of IFI Fund

Variable	dF/dx	Std.	Z	P> z
Professional	0.149	0.039	3.830	0.000
Skilled	0.103	0.054	2.050	0.040
CATHOLIC*	0.276	0.108	2.540	0.011
GENDER	0.018	0.032	0.580	0.562
Political Party				
UUP	0.074	0.052	1.520	0.129
DUP	0.028	0.072	0.410	0.681
ALLIANCE	0.143	0.087	1.870	0.062
PUP	0.113	0.113	1.130	0.260
UDP	-0.108	0.070	-1.080	0.278
UKUP	0.080	0.197	0.450	0.652
CONSERVE	0.064	0.140	0.500	0.621
SDLP	0.158	0.060	2.940	0.003
SINN FEIN	0.166	0.085	2.220	0.026
Woman Coalition	0.334	0.242	1.580	0.114
Log Likelihood	-275.5			
LR Chi (15)	44.5			
N	608			

Source: August 1997 Ulster Marketing Survey

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Note: dy/dx refers to marginal effects. The marginal effect for a dummy variable is a discrete change of dummy variable from 0 to 1

According to Table 7, the probability of being aware of the IFI is about 15 percent higher for SDLP and SF supporters than supporters of other political parties. Recall that the SF variable was also significant in the regression analysis in Table 3, suggesting that SF supporters are more likely to perceive the distribution to be fair than supporters of other political parties. As far as the class identifiers are concerned, both the dummy variable for professional class and that of a skilled economic class are significant at less than the 5 percent level of significance. The probability of being aware of the IFI fund is about 11 percent higher for a respondent from the professional class than the respondents from the semi-skilled class. When we look at the dummy variables for religious groups Catholics have a higher probability of being aware of the IFI, by about 27 percent than non-Catholics. The other coefficients can be interpreted likewise.

So far the analysis has focused on the awareness of the IFI funds. Now we turn to the respondents' awareness of EU Peace I fund. The relative frequency distribution of the perceived awareness of respondents about the EU Peace I fund by religion, political affiliation and gender. Overall, Table 8 indicates that there was a low level of perceived awareness of the EU Peace I fund in Northern Ireland. Note that unlike the low level of overall awareness of the EU Peace I fund, the overall level of awareness of IFI funds was about 70 percent. According to the data in Table 8, there is no statistically significant difference on the awareness of the EU Peace I fund across economic class and religious affiliation. The variations in the perceived awareness of the EU Peace I fund across economic class and religious affiliation could be attributed mainly to a chance process.

Table 8.
Perceived awareness of EU Peace I fund

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Category	Yes	N0
Political Party		
Ulster Unionist Party	6.5	93.5
Democratic Unionist Party	0.0	100.0
Alliance Party	13.5	86.5
Progressive Unionist Party	0.0	100.0
Unionist Democratic Party	15.8	84.2
UK Unionist (UKUP)	33.3	66.7
Conservative	16.7	83.3
SDLP	7.9	92.1
Sinn Fein	6.7	93.3
Women's Coalition	20.0	80.0
Undecided/not sure	2.9	97.1
Would not vote	7.6	92.4
No reply	7.1	92.9
Chi-square	33.47	Pr = 0.095
Religion		
Protestant	7.2	92.8
Catholic	6.7	93.3
Other/refused	9.5	90.5
Chi square	2.12	Pr = 0.71
Economic Class		
ABC1	119.0	1152.4
C2	2.2	46.1
DE	9.4	155.5
Chi square	5.77	Pr = 0.22
Gender		
Male	10.2	89.8
Female	4.3	95.4
Chi-square	8.9342	Pr = 0.011

Source: August 1997 Ulster Marketing Survey

However, Table 8 indicates that the null hypothesis of no dependency between gender and awareness of EU Peace I economic assistance could be rejected at less than 5 percent level of significance and that the percentage of males who are aware of the EU Peace I fund is higher than that of females. As far as political party affiliation is concerned, Table 9 suggests that there is a noticeable difference in the awareness of the EU Peace I fund

with regards to the political party affiliation of the respondents. Among all the respondents the supporters of UK Unionist Party register the highest level of awareness about the EU Peace I fund, followed by supporters of Women’s Coalition and the Conservatives.

Next we present the results of the multivariate analysis. Table 9 reports the probit model where the dependent variable is a dichotomous variable, which indicates the respondent’s awareness of the EU Peace I fund. If a respondent is aware of the EU Peace I fund, then the value of the dependent variable is one, otherwise it is zero. Table 9 indicates that a male respondent has a higher probability of being aware of the EU Peace I fund than a female counterpart, *ceteris paribus*. Moreover, Table 10 shows that the probability of one’s awareness of the EU Peace I fund is not free of political affiliation. More specifically, the supporters of UUP, UKUP, Alliance, UDP, and the Women’s Coalition parties are more likely to be aware of the EU Peace I fund than other political party supporters. What is more interesting is that the Women’s Coalition and UKUP are significant only for the EU Peace I fund. Recall that the coefficients of UKUP and the Women’s Coalition party were not significant in the regression model for awareness of IFI funded projects

Table 9.
Probit model for the awareness of EU Peace I fund

	dF/dX	Standard Error	Z	P> z
AGE	0.001	0.001	1.54	0.123
Gender	0.069	0.024	2.96	0.003
Political Affiliation				

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Ulster Unionist Party	0.001	0.030	0.03	0.973
Alliance Party	0.088	0.069	1.64	0.101
Democratic Unionist Party	0.127	0.104	1.67	0.095
UK Unionist (UKUP)	0.233	0.198	1.71	0.086
Conservative	0.116	0.122	1.28	0.199
SDLP	0.023	0.036	0.69	0.489
Sinn Fein	0.004	0.045	0.08	0.934
Women's Coalition	0.288	0.237	1.77	0.077
Catholic	0.053	0.070	0.76	0.45
Economic class				
Professional	0.029	0.026	1.16	0.246
Skilled	-0.026	0.027	-0.86	0.389
Log Likelihood	-136.54			
LR Chi(14)	26.51			
Pseudo R2	= 0.09			
N	537			

Observed P=0.08

Predicted P =0 .06 (at x-bar)

(*) dF/dX is for discrete change of dummy variable from 0 to 1. X-bar is mean value of the variable Z and $P > |z|$ are the test of the underlying coefficient being 0

Dependent variable awareEU1 =1 if a person is aware of EU Peace I funds, 0 otherwise.

Discussions

Economic assistance skilfully administered, may play a pivotal role in nurturing a milieu conducive to the political rather than violent transformation of conflict (Byrne, 2008). Our hypotheses that Protestant Unionists and Catholic Nationalists equally perceive that economic assistance from both funds is fairly distributed across both communities and that both communities have equal awareness of these funds is rejected. When we look across the gender spectrum, our analyses show that more males are aware of, and perceive the distribution of funds as fair, than females. This could be explained by

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men's access to, and knowledge of, the funding agencies, more men are in positions of power and privilege in society and are in "the know" than women, suggesting that women must be empowered to take on more leadership roles in society to build a culture of peace.

Both aid programs have played a role in building support for the peace process itself among previously deprived segments of the population, such as the Catholic Nationalist community, which may impact their level of support for the emerging new Northern Irish institutions. Catholic Nationalists see more positive economic assistance that may be a result of their economic status, their relatively greater support of peace, or both, and may impact their perceptions of the Protestant Unionist community, and the peace process. This may be the reason why Catholics are more aware of and seem to perceive the distribution of resources as more fair relative to Protestants.

Further, a lower level of recognition of the EU Peace I fund by Protestant Unionist respondents may suggest that the lower level of EU funding in Protestant areas could be due to a lack of a comprehensive community infrastructure in comparison to similar Catholic communities. Moreover, fewer unemployed Protestants than Catholics perceived the distribution of IFI funds between both communities to be very fair. This finding is especially pronounced when comparing the Unionist-Loyalist block to supporters of the Nationalist-Republican block. Protestants initially boycotted the IFI post-1985 Anglo Irish Agreement (AIA) on the grounds it represented blood money from the U.S. (Guelke, 2000).

In general, Protestants find the distribution of the EU Peace I fund and the IFI to be unfair perceiving Catholics to be receiving all of the benefits (Arthur, 2001). This

finding may also be related to the accessibility of the application process. The Protestant Unionist community's perceived injustice of EU Peace I funding resulted in an assertion that the funding was going into Catholic Nationalist areas (Byrne, Thiessen, and Fissuh, 2007; Matic, Byrne, and Fissuh, 2007). The EU responded that Catholic Nationalist areas were more organized and had greater civic capacity, and hence made more successful bids (O'Dowd and McCall, 2008)

This may suggest that there is a potential for ideological conflict that could be driven by these funds. Instead of resolving the conflict, these funds may spur another round of conflicts in Northern Ireland (McCall and O'Dowd, 2008). Economic gains for Protestants must not perceive Catholics as deficits that promote isolation and sectarianism rather than intergroup cooperation (Honaker, 2005). For example, a nationally representative sample of 1,000 respondents in a post-2003 Northern Ireland Election Survey found that Unionists shared a strong belief that the 1998 GFA benefits Nationalists at the expense of Unionists (Dowds, Hayes, and McAllister, 2005). These disillusioned respondents pointed to the dysfunctional nature of the Executive and the Belfast Assembly as a critical cause of their dissent. Moreover, Unionists are coupled with a drive for survival, exemplified by Paisleyism and a "historic culture of fatalism, a culture of suspicions of the intentions of those outside that Unionist family and even more suspicious of the intentions, even the best intentions of those within it" (Aughey, 2000, p. 185). By 2002, only one-third of Protestants supported the GFA (MacGinty, 2003).

In 1994, the EU involved extensive community group consultation in the development of the peace package. Yet, far fewer respondents are aware of either the EU

Peace I or IFI funded projects within their respective communities. The professional and skilled classes demonstrate a greater awareness of both funds suggesting perhaps that the skills to access the allocation of economic assistance remains confined to certain classes. The bureaucratization of the process was certainly borne out in interviews with community leaders. Both funding agencies are committed to targeting the areas of greatest needs. The empowerment of the grassroots is critical to the longevity of the overall peace process (Fitzduff and O'Hagan, 2002). Thus, the funders need to streamline the application process in a user-friendly way.

Conclusions

Economic assistance from both funds may be making a difference in addressing social exclusion, poverty, inclusiveness, cross-community contact, and sustainable economic development. However, the people of Northern Ireland should be aware of these funds and perceive that they are evenly distributed across the protagonist communities. It is worth remembering that the people of Northern Ireland have to deal with their past as the transgenerational oral transmission of historical traumas perpetuate the conflict and become the basis for “retaliatory mimetic violence” (Wright, 1987). Similar to what occurred in South Africa with the Truth and Reconciliation Commission (TRC), the people of Northern Ireland need to recognize their suffering and use new cross-cultural rituals to heal from these traumas, or sow the seeds of future conflict (Byrne, 2008; Senehi, 2008). As part of this mechanism, both communities should perceive that these funds are fairly distributed and none of them should feel neglected. Moreover, transformational conflict resolution or peacebuilding can also help the public learn about

the root causes of conflict (identity, culture, poverty) and society's unequal power structure, as well as to develop civic education skills (Galtung, Jacobson, and Brand-Jacobson, 2002). Thus, the process is psychologically, socially, and politically empowering for the participants because it builds self-esteem, self-confidence and self-efficacy, teaches problem-solving and listening skills, and forges a critical consciousness (Schwerin 1995). Reconciliation and cooperative relationships must embed changes at the personal, relational and structural levels to fulfill the basic human needs of the people (Lederach, 1997). Equality in opportunities should be part of any intervention mechanism.

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