



MEMORANDUM SERIES 116

SOURCE MATERIALS FOR A STUDY
OF UNEMPLOYMENT IN IRELAND

R.C. Geary M. Dempsey

The Economic and Social Research Institute
4 Burlington Road
Dublin 4
Ireland

Telephone (353-1) 667 1525
Fax (353-1) 668 6231

Unemployment Study

Contents

Chapter 1		The Setting of the Problem
" 2	I	Public Policy and Experience in Ireland with Employment Schemes
	II	Guidance from Experience
	III	The Existing Situation
" 3		Experience with Employment Schemes in Other Countries
	I	ILO Experience
	II	OECD study of the main tendencies in employment and manpower policy measures in the current recession.
		Appendix
" 4		Two Irish Surveys
	I	A Pilot Survey of the Unemployed
	II	National Manpower Service Surveys Summary
" 5		Econometric Aspects
	I	A Simple Model
	II	The COMET
" 6		E. Costa's Scheme for Relief of Unemployment in Ireland
7		Conclusions and Recommendations.

Introduction

This memorandum is mainly a loose collection of papers, in no particular order, pertaining to the Irish unemployment problem. We are very conscious that, if it is to be published at all, it will require drastic reduction, reordering, unification and revision of text. The problem is, however, so urgent and important that we have decided to include it in its present imperfect form in the ESRI Memorandum Series, for reference by our colleagues who may be studying the problem, as we hope they are.

Our main thesis, first advanced in ESRI Paper No. 52 by Geary and Hughes in 1970, is that the endemically large Irish unemployment problem must be tackled directly, i. e. by the creation of jobs the main purpose of which is not economic but to put the unemployed to work. All due regard will be had, of course, to social usefulness and efficiency in the selection of tasks to be tackled, from the vast number possible. An Authority should be created for this purpose, endowed with funds (and discretion as to their deployment) on an immensely larger scale than in the past. As unemployment is largely caused by an excess labour pool of unskilled, special attention should be devoted to training and education. If, in consequence mainly of the recent great increase in the marriage rate, there are indications of larger numbers annually seeking jobs than can economically be absorbed at home, regard should be had to the desirability of emigration; such emigration would be very different from what it was in the past, in that emigrants would be properly trained, their interests officially recognised and looked after at home and abroad.

These matters are dealt with in Chapters 1 and 7. Ireland's past experience with employment schemes, (the fruit of study of two unpublished government commission reports which luckily became available to us) is dealt with in Chapter 2. Recent experience with employment schemes in some other countries will be found in Chapter 3, mainly derived from material kindly made available by the ILO and the OECD. The studies reported in Chapters 2 and 3 are perhaps as valuable for indicating what not to do in future schemes as the contrary.

Chapter 4 contains the results of two surveys, one a pilot conducted by ourselves, mainly dealing with attitudes of the recent unemployed in Ireland, the other the results of a survey conducted by the National Manpower Service. The principal result of our pilot survey, admittedly on unconfirmed

statements of the men interviewed, is that most of them wanted work and were prepared to work at jobs of lower status than they were accustomed to. This attitude is contrary to the common belief that recent increases in unemployment pay have made the recipients work shy on a large scale.

The so-called "simple" model in Chapter 5 is little more than a chart showing that in the period 1958-73 the increased rate of volume of output in non-agriculture was accompanied by a vastly greater rate of volume increase in gross domestic fixed capital formation and a very small rate of increase in number at work in non-agriculture. This chart is our main reason for our suggesting that economic development alone, on the scale which we can afford, will be unlikely to bring about a sizable reduction in the number of unemployed, though, of course, economic development is good for itself.

The main showing of Chapter 5, which we describe as "dismal" is that of the elaborate COMET model, prepared for EEC countries on data for approximately the years 1954-71. COMET shows that the Irish rate of unemployment is expected to increase from 7.2 to 16.5 per cent between 1973 and 1980. Admittedly the model does not "work" very well by reference to Irish data in the computation years of 1958-71. Nevertheless the alarming result is unlikely to be contradicted by a better-behaved model. COMET, however, does not take the possibility of emigration into account. This result is the principal reason for our believing that anything like full employment at home with the next decade is most unlikely without the safety valve of emigration.

We are indebted to the ILO for making available to us, on a short mission, the distinguished services of Dr Emile Costa. Dr Costa produced in general lines what we regard as an excellent scheme for Ireland which we give without comment as Chapter 6. It will be seen that Dr Costa's scheme will cost something like £70 million net a year: hence our earlier remark in this introduction, that expenditure must be on a far larger scale than heretofore.

Chapter 1. The Setting of the Problem

Prefatory

It used to be a cliché in demography that in most international comparisons Ireland's situation has been exceptional. One need only cite our low marriage rate, high fertility rate, high emigration rate, resulting in a declining population over the past century and in the fact that the ratio of number of Irish-born domiciled abroad to the population of the mother country is one of the highest in the world. Emigration has also been responsible for the low proportion of the population in the active ages 15-64, resulting in a dependency ratio of 73 (1971) compared with 54-59 (ca. 1971) for other EEC countries [19]. It goes without saying that, with a GNP per head about one-half of that of most of our EEC partners, a considerable constraint is imposed on the level of social security or indeed any kind of public payments we can afford.

Of greater relevance is the fact that in 1971 Ireland's percentage unemployed was by far the highest in Europe, twice as high as the next in order in EEC [15]. At the Census of Population of April 1971 when the out-of-work numbered 65, 000 the percentages were as follows:

	Total	Total excl. AFF ¹
Unemployed as percentage of-		
(i) Total employee class	8.1 (7.2)	7.0 (6.3)
(ii) Total gainfully occupied	5.8 (4.7)	6.3 (5.4)

The figures in brackets are those of the previous CP, five years before, showing that economic expansion since then has been accompanied by a small, but significant, increase in the unemployment rate. Clearly, Ireland would make a better international showing under concept (ii) which, however, is open to the objection that it takes no account of under-employment in the non-employee class, mainly farmers and working members of their families. In 1971 gainfully occupied in AFF in Ireland formed 26 per cent of total gainfully occupied and in AFF 82 per cent were non-employees.

¹ Excluding agriculture, forestry, fishing.

There have been remarkable changes in the last two decades. Perhaps the most heartening is that the marriage rate, practically unchanged at $5\frac{1}{2}$ per 1,000 for a generation up to and including the year 1965, has moved to nearly $7\frac{1}{2}$, almost a demographic revolution in the few short years since. The net number of emigrants, 43,000 a year as recently as in the decade 1956-1961, has been reduced to 17,000 in 1961-1966, further to 12,000 in 1966-71, and to a net immigration in 1972-1973. The result has been that, with a sizeable natural increase, the population has begun to rise, slowly but significantly, after practical stagnation during the half-century before. We shall draw inferences from these fundamental changes later which, if sometimes less than positive proof, are essential for a hypothetical background to what we conceive to be right thinking on this problem of reducing the human and financial wastage in carrying perpetually large numbers of unemployed.

Since 1961 (and until very recently) the unemployment rate, at 6-7 per cent, has been at a lower level than previously: from 1947 to 1961 the seasonally corrected quarterly rates oscillated between 7-10 per cent [7]. The unprecedentedly large economic advance since 1960 has had little impact on the size of the labour force, almost constant at about 1.1 million, a sizable fall in agriculture being almost exactly balanced by a rise in non-agricultural economic activity. Having regard to the fall in emigration, casting more job-seekers on the labour market, it is remarkable that the unemployment rate is so low, compared with the past. However, our initial supposition is that it is still intolerably high.

Sources of Statistics

Regular sources of official statistics of unemployment are the Live Register (LR) and the Census of Population (CP). The LR statistics, compiled by CSO from returns supplied by local offices of the Department of Social Welfare, are published in various detail from weekly to yearly.² They are, of course, the main source of current information on unemployment. The CP statistics are available only for a single date every five years but they are sub-classified in considerable detail. Statistics from both sources have often been critically compared (e.g. [7], [16]) but this aspect need not concern us much here. It may suffice to state that the great majority of unemployed register at the local offices because they have a financial inducement to do so and not primarily because they are seeking work, though refusal to accept a suitable job would be a disqualification for payment. This means that most of the unemployed not entitled to benefit are not included in the LR. These exclusions include most young people (aged 15-17) seeking their first job, endemically a problem category in Ireland because the number is so large. The CP statistics are probably of better quality than those of LR, especially as regards place of residence and classification into occupation and industry, and have been used effectively for level and trend comparisons over intercensal periods. In favour of such procedures is that, broadly speaking, there is a measure of constancy over short periods in the characteristics of the unemployed: the story at a single date tells the story of many dates near it.

² Media of publication of LR data are the Trend of Employment and Unemployment (latest for 1973, Prl. 4375), the quarterly Irish Statistical Bulletin and current leaflets.

Though they differ in numbers in different categories (e.g. industries), total numbers on LR and at CP of males and females at near Census date usually agree fairly well [7 , Appendix].

Statistical Analysis

Statistics from both principal sources have fairly³ recently been analysed in considerable detail (by one of us amongst others) so there is no need to repeat, or even to try to extend, these analysis here. In what follows we shall simply describe the principal relevant results of these researches with as little recourse to actual figures as possible.

Since the principal official panacea for reducing unemployment is economic development, in the comment that follows we have to consider very general relationships between economic and social variables, not only proven but speculative. The question here is: is this "indirect" approach likely to create full employment (however defined) in the reasonably near future? If this is so, obviously it is the choice which should be made to solve the unemployment problem, the problem of optimality arising only in regard to choice and location of economic activity. If not, we cannot exclude the possibility of a revival of emigration, though the latter term may come to be regarded as a misnomer (carrying, as it does, a trail of bitter past associations in this country of relatively largest emigration in the last two centuries) and the word mobility as more suitable under EEC conditions; and ultimately the word might be qualified by "external". The modern fashion tends to be for industry to come to people instead of vice versa. The Irish, with their traditions, may be less reluctant to move than most and, enviroing conditions being favourable, be able to take advantage of better wages elsewhere in EEC than in Ireland. Certainly, such migration cannot be ruled out as a part-solution. We may here remark that the optimal solution of the Irish unemployment problem will probably involve a mixture of the several approaches.

The Present Recession

Writing in April 1975 the LR is a little over 100,000, a 33 per cent increase on its level twelve months before. In planning this paper we decided that we could ignore this recession and regard our problem as that of reducing the customary level of 60,000-70,000, and disregard the presentday LR as unrepresentative in age, sex, employment etc. of registrants. Now we are less sure. How "permanent" is this 100,000? With the very high level of incomes ruling, tangible capitalisation will be encouraged with reduction in the labour - to - capital ratio. Has the recession, coupled paradoxically with rapidly increasing money wages, hastened the approach of the Leisure Age? For the present, however, we ignore this recent high level of unemployment.

³ See [7] and [24].

⁴ We resume the study of Irish emigration in its relation to unemployment later.

Female Unemployed

The problem of lowering the female LR is very minor compared with that of the male LR. At CP April 1971 women constituted 26 per cent of the labour force of 1.1 million per cent amongst non-agricultural employees. A survey conducted by Walsh and O'Toole [22] in 1972 showed that married women's participation (in LF) amounted to 15.3 (part-time 9.6, full-time 5.7) per cent. Ireland's full-time rate of 5 per cent is in marked contrast to the some 30 per cent quite common in Western Europe [22], a contrast obviously related to the far higher fertility of marriage amongst Irishwomen, hence with greater commitment to household duties, still, it is expected that the low Irish percentage will increase.

On average in 1973 the number of females on the LR numbered 12,000, or one-sixth of the total number on the LR. At CP April 1971 the female rate was 3.8 per cent, less than half the male rate of 10.0 per cent. A rate of 3.8 per cent might be regarded as "full employment" in Irish conditions. Of course, it will be borne in mind that a vagueness attaches to any definition of female unemployment because many of those engaged in "home duties" would be "able and willing" for paid employment if pay and other conditions were right. Even at CP 1966 only 6 per cent of married women described themselves as in the labour force, nearly the same as the foregoing 1972 survey figure for "full-time participation" but ignoring the 10 per cent part-time participation.

Age of the Unemployed

In September 1973 men aged 50 or more on the LR in towns were 34 per cent of the total, a percentage which did not vary much in the five years previous [17]. To answer the question "are unemployed persons older than those gainfully occupied"? recourse must be had to CP.

Table 1.1 shows that, corrected for occupational distribution men on the LR are appreciably older than the generality, the phenomenon is less marked than one might have expected. The problem, the relief of unemployment, is by no means confined to the elderly. Comparison of the

Table 1.1: Male unemployed classified by age April 1971, actual and hypothetical, including and excluding AFF

	Age group (%)				
	15-29	30-39	40-49	50-59	60+
Total -					
Actual	28.0	14.0	17.1	21.8	19.1
Hypothetical	31.6	17.1	18.3	18.6	14.4
Total (excluding AFF) -					
Actual	30.8	14.9	16.9	20.2	17.2
Hypothetical	35.3	18.1	18.2	17.5	10.9

Basic source: CP 1971

Note

The hypothetical percentages are those that would be found if the numbers in the different occupational groups amongst the unemployed were age-distributed as in the GO male population.

foregoing CP statistics may be made with those of LR. The latter relate to UB and UA claimants residing in towns in September 1971 which are compared with actual (excluding AFF) in Table 1.1 in April 1971

	Aged 15-29	Aged 50+
	%	%
LR	35.7	32.4
CP	30.6	37.4

Men describing themselves as out-of-work at CP are older, on average, than those on LR, possibly because of ineligibility of older men, though out-of-work, for unemployment payments. Another inference is that the problem may be more age-oriented than indicated by LR statistics.

B. M. Walsh [24], regressing the proportion of the urban male LR in each age group on (i) non-agricultural unemployment rate (ii) net emigration rate and (iii) linear trend in the 19 years 1954-1972 found highly significant results for age groups over 21. Expressing the coefficients for (i) in mean elasticity form, he finds elasticities ranging regularly from .57 for ages 21-24 to -.81 for ages 60+. He infers that "as the unemployment rate falls the proportion of younger men on the LR tends to fall .. At the other end of the scale, as the unemployment rate falls, there is a fairly pronounced rise in the proportion of male LR consisting of those aged 60 and over".

CP April 1971 shows that, when the general male unemployment rate was 10 per cent, the rates for all four young age groups from 14-19 to 35-39 were much the same at 7-8 per cent; the rates increased sharply and regularly from 8 per cent for ages 35-39 to 25 per cent for ages 65-69. If these figures show the age-effect more emphatically than previously, clearly the rates for young men are formidable.

Duration of Unemployment

Unemployment is specially severe in Ireland for those who experience it at all. TUE shows that in September 1973 the average number of weeks of employment obtained during the previous twelve months was 12, the lowest figure for the six years 1968-1973, for which the average was 14 weeks, i.e. men on the LR spend one-quarter of each year at work and three-quarters idle. Further, the number of weeks employment does not vary so much with age: in September 1973, while it is true that the under 21's got 16 weeks work, all other age groups from 21-25 to 60-65 ranged from 10-13 weeks.

From a different angle: in November 1973 almost exactly half the males and 45 per cent of the females on the LR were in continuous registration (i.e. out-of-work) for a half-year or more.

When one studies the table of the percentage of registered unemployed males who had no work during the previous twelve months one is immediately struck by the great rise between the years 1968 and 1969, obviously due mainly to the increase (in 1968), in duration of payment of UB from six to twelve months. From ages 25-29 to 60+ the percentage increased rapidly and regularly from 18 to 46 in September 1972.

In a very interesting section of his paper Walsh [24] showed that in 1972-1973 the probability for males of remaining on the LR for at least three months averaged .60 compared with .39 in 1966-1967, six years before. The male probabilities for remaining on LR for twelve months or more nearly doubled in the six year period, from .14 to .23. The female probabilities showed the same upward trend, but at a far lower level.

This sharp upward trend in the propensity to remain for long terms on the LR we assume to be mainly due to the rise in unemployment payments, proportionately much greater than in incomes which we discuss later. Walsh [24] calculates that in 1974 an unemployed father of four would have a net income equal to 88 per cent of average net industrial earnings as long as he qualified for UB (which qualification period, to repeat, has recently been extended from six to twelve months) and equal to 48 per cent when he was on UA. This contrasts with the 32 per cent estimated by Geary and Hughes [7] for total payments in December 1967 of non-agricultural UB and UA in relation to earnings which the workers concerned would have received had they been employed. It will also be borne in mind that unemployment payments are not taxable and that the unemployed also receive children's allowances, if qualified.

That, humanly speaking and in no censorious spirit, leisure has become so profitable, clearly the problem of setting the unemployed to work is exacerbated.

Regions

Amongst the eight regions into which TEU presents the LR statistics, the non-agricultural unemployment (NAU) rate, for Dublin (Dublin Co. Boro' and Dun Laoghaire Boro') is by far the lowest. Geary and Hughes [7] remark on what they term the "staircase effect" of the regional unemployment rates. This means that the annual regional rates (in the period 1950-1968) follow each other closely with Dublin nearly always lowest: the economic level and trend in this small country is pervasive. These authors also show that the eight NAU rates are reasonably consistent with six socio-economic indicators, e.g. percentage population in towns and average employee income. Regression of net emigration rate on the NAU rate for the intercensal period 1961-1966 was $e_c = -9.35 + 2.57 u$, with $r = .83$ significant ($P = .01$) with d.f. = 6.

When Walsh [24] regresses the annual NAU rate for each region on (i) the annual NAU rate for the other seven regions and (ii) linear time trend during the nineteen years 1954-1972, \bar{R}^2 is never lower than .87 and DW's are indicative of residual independence. He finds that the high slope coefficient associated with the region Ulster (part of) (with a comparatively high NAU rate) suggests that this region experiences greater amplitude in its cycle than is true for the rest of the country. Walsh concludes from this part of his analysis:-

"This is serious evidence of a growing regional imbalance between labour markets, and suggests that either manpower policies must be directed to encouraging labour migration into Dublin and Munster, or that more vigorous efforts must be made to encourage industries and services outside Dublin and Munster."

He asterisks this conclusion with the remark "The recent announcement of some large-scale industrial projects for the North Connacht region may alter the situation dramatically." The date of his paper is October, 1974.

Occupation and (Normal) Industry

The large wealth of data available in these regards from both CP and LR are perhaps the best indicators of the circumstances of the unemployed, to be taken into account in any schemes for alleviation. In the comments following attention is confined to the male NAU.

Geary and Hughes remark "Non-agricultural unemployment in Ireland would scarcely be the major problem it is were it not for its chronic magnitude in three very large [unskilled] occupational groups". The three groups are (i) builders' etc. labourers, (ii) road etc. labourers and (iii) general labourers, practically all male. These are termed Depressed Occupations (DO).

At CP April 1971 together they accounted for 20,000 out of a total of 43,000, i.e. not far short of one-half. Their unemployment rate (i.e. as percentage of number of employees at work and out of work) was 22.7⁵ compared with a rate of 5.6 for all other male non-agricultural employees, i.e. a ratio of 4.1. The general male NAU rate was 8.6.

No fewer than 91 per cent (CP 1966, Vol. VII) of DO's (at work and idle) ended their education at primary level and one must surmise that DOs contain many of that near 50 per cent of primary level children who (ca. 1963) left without completing the course.

Geary and Hughes estimate that about 2,000 young men enter DOs every year. It is true that, as Hutchinson [10] shows, many DO entrants improve their employments in their subsequent career Odyssey. The majority don't. There is obviously a vast social waste in this recruitment (mainly from under-privileged homes) to relatively poorly-paid (an entrant should reckon on only 75-80 per cent annually of the low stated pay) and probably unpleasant duties. The emotional rhetorical question in [9] stands "How many geniuses are lost every year amongst the 2,000?"

A mitigating circumstance, also relevant to this inquiry, is that one-third of those in DOs live in households with agricultural land [7]. Many of these people therefore have a modest sufficiency, making them less inclined to seek better work.

⁵ Not including male agricultural labourers out of work (April 1971), numbering 10,000 or 28.8 per cent.

The LR statistics are also analysed by industry. From what has gone before we are not surprised to find that in the Construction group of industries the rate (14 per cent on average in 1973) is twice as high as the general average. It is obvious that any serious attempt to reduce unemployment must concentrate on (i) General building and (ii) Other construction (roads etc.), and/or reduce the numbers engaged in them.

Using CP April 1966 statistics, Geary and Hughes showed that, out of 184 industries, 79 had rates less than 4 per cent unemployed, which industries accounted for 42 per cent of the non-agricultural GO. The proportion of persons GO in industries with less than 2 per cent unemployed (in 1966, the conventional percentage for indicating "full employment") was 19 per cent.

Reverting to LR, there is a strong cyclical similarity between the trends in the unemployment rates in eight broad industrial groups, a fact of considerable importance in considering the extent to which the future trade cycle can be relied on to reduce the unemployment rate autonomously. If we succeed in reducing the rate in Manufacturing, will reduction follow in Construction, Commerce etc? Geary and Hughes, using annual data 1947-1967 inclusive found generally high c.c.s. Between Manufacturing and six of the seven other major groups, not only using absolute rates as data but the far more testing year to year changes.

B.M. Walsh carried the industrial analysis still further, in regressing the unemployment rate in each of eight broad industrial groups on trend and the general non-agricultural rate excluding the dependent variable group, using annual data for the more recent period 1954-1972. He finds high values of R^2 (none less than .54, the highest Commerce .91 and Services .86 and concludes)-

"Construction is a very major contributor to the national unemployment problem, and the fairly significant negative trend in this sector is the most encouraging showing [of his Table 15]. On the other hand, the significant positive trend in such important sectors as Manufacturing and Commerce indicates that these sectors have experienced an upward trend in their unemployment rates relative to the national average".

As to the latter part of the comment it may be noted that Walsh's data extend to the not-so-good years 1968-1972, compared with those of the Geary-Hughes analysis. Walsh makes the following important comment as a result of his consideration of the Construction industrial group:-

"...the Government's capital programme, which is a major factor in this sector, has not been used in a counter cyclical fashion, but has rather tended to aggravate the cyclical fluctuations in the rest of the economy".

Emigration

All researchers have linked emigration with unemployment. Happily nowadays emigration is a less emotive subject than it was. Geary recalls his coming in for adverse public criticism in the 1930's when he showed that emigration in the 100 years before had more of the character of a "pull" (to other countries) than a "push" (from under-development at home) and that a large increase in population (i. e. to anything like the politically sacrosanct pre-Famine $8\frac{1}{2}$ million for the whole island) by the end of this century was most unlikely [5]. Scarcely a vestige of this public attitude remains, possibly because of the diminution to vanishing point in the most recent few years of net emigration.

This diminution, coupled with the greatly increased marriage rate, in a short term of years is a most remarkable phenomenon. It means that possibly for the first time in Irish history a majority of young people have come to believe that they could make a career in Ireland. Such a sentiment is, of course, to be welcomed, but it can also exacerbate the problem of finding work at home.

Since we regard emigration (which as was indicated earlier we prefer to call "mobility") as one of the choices open as a partial solution of the unemployment problem in certain circumstances and as we consider that much of the public thinking at present on the subject is wrong, as being too influenced by traditional attitudes, we make no apology for dealing with it here at some length and depth.

A generation or so ago quite respectable academic opinion argued that, if the cost to the mother country of rearing an emigrant was £20,000 a year, a country lost £20 million a year if 10,000 emigrated. Yes, as simple as that. Geary now reads his attempted refutation [6] (on ethical and economic grounds) with some embarrassment, pleading anger and outrage when it was written. He now admits that there can be circumstances in which the initial argument is justified but overwhelmingly he maintains his original opinion.

He did not then realize, as he has since, that this "value of an individual" (in money or other terms) is the most fundamental social problem of our time. It cannot be left out of account in any consideration of welfare, of which our unemployment problem is one aspect. The problem is: is the interest of the State or the Individual paramount? These interests may be in conflict.

From the viewpoint of the State, emigration may have good and bad effects and these may be different at different times. For instance, it may relieve the State of a costly burden of mendicancy but leave it with an undesirably high dependency ratio; there are lots of other reasons for and against.

We speak of the "interest of the Individual" in no absolute sense. We mean what the person judges to be his or her interest, in which, of course, they may be quite wrong. But are they wrong? Of course they sometimes are. But I am more likely to be right as to my own interest than is the State, however paternalistic - we use the term in no pejorative sense. In a free society the individual has the right to be wrong when he is breaking no law, human or Divine.

Geary (with M. D. McCarthy [3]), referring specifically to emigration, wrote "The Irish man's reaction to his environment has always been not only intelligible but intelligent", and he sees no good reason to

modify this view. In the same source these authors remarked that, defining the Irish Race as the home population and emigrants since the Famine⁶ and their descendants numbering perhaps 15-20 million including home population (all Ireland, when they wrote) of $4\frac{1}{2}$ million, this population, having regard to the countries to which the emigrants went, had a very substantial rise in the real standard of living per head whereas if compelled to remain at home would have the lowest standard in Europe, as it had pre-Famine.

Some of the foregoing views may be regarded as ideocyncratic and we have no wish to insist on them. What we do maintain, with all the emphasis at our command, is that in this rapidly changing society, emigration, unemployment and every other social problem should be given a new look untrammelled by traditional thinking. Prior to Independence (in 1921) this thinking was all political, and revolutionary political thinking is always biased, over-simplified, and often plain wrong. Even if right, it has now little or no relevance in this changed society.

From the world point of view the Irish propensity to emigrate temporarily or permanently is a positive good, if only on balance of good and ill, like everything else. It is so deep in our tradition that thoughtless curbing of it may be harmful. In the 9th century the monk Strabo, thinking about the arrival of the Irish monk Sedulius "whether it was dread of the Danes or simply ... 'the Irish fashion of going away' that brought him to France". Push or pull nine hundred years ago!

Nearly all young members of our Institute, most of them honours graduates in the social sciences, now leave Ireland for jobs or further study, or plan to leave. That so many are acceptable by foreign organisations of higher learning is gratifying. Many have settled down abroad. In the other direction, the number of foreign professors and students coming to reside in Ireland is increasing.

Within Ireland, and no doubt everywhere else, the volume of migration is strongly related to degree of education reached, highest for third level, lowest for primary. Surely it is in the interest of social efficiency that this professional mobility should obtain amongst nations. The higher the specialized skill the greater should be its mobility, on a world basis.

Relation between Emigration and Unemployment

The number of persons born in the Irish Republic residing in England and Wales in 1966 was 674, 000 equivalent to one-third of the population of the home country aged 15 or over. This extraordinary showing as between politically independent countries, naturally raised the question: does the Republic behave in the unemployment-emigration relationship as if it were a region of Britain?

To answer, Geary and Hughes [7] studied the relationship between the average rates of unemployment (u) and of net emigration (e) of insured persons in seven British regions in the five years 1962-1966. The regression was:-

$$e_c = -0.7684 + 0.426 u$$

⁶ The Famine of 1846-1848 was one of the worst disasters that afflicted any people. It reduced the population of all-Ireland by one-half and its material and psychological effects are still with us.

for which r had the remarkably high value of .98, overwhelmingly significant, even with only 7 pairs of observations. If this formula applied to Ireland, the NAU rate for the years 1962-1966 being 5.3 per unit ($= u$), using the foregoing formula average annual net emigration would have been 8,500, regarded as a reasonable estimate of the net emigration of non-agricultural unemployed, in annual average net emigration of 16,000 in the period 1961-1966. The authors therefore found that in its reaction emigration-wise to unemployment, the non-agricultural unemployed behaved as if the Irish Republic were a British region.

This would mean that part of the explanation of the low emigration rates in the past few years is the depression in Britain. One infers that if the rate of recovery in Britain is greater than in Ireland, migration to Britain will be resumed, in possibly sizable volume. As ECC is also depressed but with a potential for recovery and advance possibly greater than for Britain or Ireland, a future large migration to the Continent cannot be ruled out of account. Such a move cannot be prevented, should not be deprecated, but efforts should be directed towards making conditions for migrants as good as possible, including training them properly.

No one has studied the relationship between unemployment and migration more successfully than has B. M. Walsh [21] using single equation regressions, with either variable as dependent. An equation explaining year-to-year change in number of NAU (ΔU_n) is as follows:-

$$\Delta U_n = 14.61 - 0.53 \Delta E_n - 0.42 M + e,$$

(5.1) (5.3) (5.2)

E being non-agricultural employment, M level of net emigration, all numbers in thousands, regression period 1952-1966. For a Δ equation the $\bar{R}^2 = .73$ is remarkably high. One may be doubtful about the chain of causation: if ΔE_n can be regarded as indicating change in production and hence a causation variable, M is surely more the effect than the cause of change in numbers unemployed, i.e. ΔU_n . This is the view taken in another of Walsh's regressions (quoted, with reference, in [16])-

$$N_c = 7.05 - 9.56 \frac{W_I}{W_B} + 0.33 \frac{U_I}{U_B},$$

(4.3) (4.3) (5.1)

N_c , net emigration as percentage of population aged 15-64, subscripts I and B meaning Ireland and UK, W average real weekly earnings of industrial workers, U annual average percentage of insured workers registered as unemployed (excluding agricultural workers in Ireland). This is statistically a very satisfactory relationship: its $\bar{R}^2 = .84$ and if its $DW = 1.37$ is somewhat low, as indicating absence of residual autoregression (i.e. completeness of relationship), the cause-effect direction seems right, in the case of all three variables involved.

Regarding the last relationship as an equation and taking W_I/W_B as 0.8, (more or less realistic) we find that $N_c = 0$ when $U_I/U_B = 1.8$, an annual ratio never obtained in the post-war period. It will be unrealistic to leave migration out of account in any future consideration of lowering the unemployment rate.

Full Employment

This condition has been adjudged by percentage unemployed. The report on Full Employment of the National Industrial Economic Council (NIEC) published in March 1967 proposed a figure of 2 per cent. Since then there has been a lowering of sights, following a more realistic appraisal of what is possible in Ireland. Almost independently in the Colin Buchanan and Partners Report [2] Geary and Hughes [7] B. M. Walsh [14] and the National Economic and Social Council (advised by B. M. Walsh) (NESC) assume 4 per cent and S. H. Santell [16] raises the figure to 5 per cent.

The NESC [14] asked B. M. Walsh to make population projections for the period 1971-86 and to calculate the net increase in total employment which would have to be achieved if full employment were to be reached by 1986, on certain assumptions about the possible behaviour of emigration, fertility, marriage and participation rates. The Council prudently adds "It cannot be emphasised too strongly that Professor Walsh's projections are not forecasts of what will happen", a point stressed by Walsh himself in his report appended to the Council's. This figuring is merely a sensible aid to thought and to planning.

As a pioneer in the field of projecting the Irish population by age and sex on various assumptions [5] Geary congratulates Walsh on his thoroughness. As Walsh's projection period is only 15 years from CP date April 1971, one can have much confidence in his population results for 1986, especially for ages 15 or over, for all these people were in existence and included in CP 1971. Hazards attach to the projections of numbers under 15, number married, participation and fertility rates. Walsh pays close attention to the past trends in the multitude of rates involved in his projections. He presents his results in the form of Low and High estimates. The range shown for 1986 mainly reflects variations in assumptions made about emigration and participation rates.

The main result is that if the average redundancy rates (i.e. number of redundancies each year as percentage of industrial employment) were 2½ per cent (only half the rate obtaining in the last few years), the gross number of new jobs required would be of the order of 375, 000 to 420, 000 - or over 25, 000 a year. Is this possible?

In this connection regard must be had to the activities of the Industrial Development Authority (IDA) which, under the Minister for Industry and Commerce, has national responsibility for industrial development in Ireland. Mention should also be made of the Shannon Free Airport Development Company Ltd (SFADCO), also an agency of the Department of Industry and Commerce, creator of Ireland's first new town, Shannon, with a population over 6, 000, responsible also for the industrial development of the Mid-West Region, in conjunction with IDA.

In the last four years the achievement of IDA may be summarised as follows:

Tables 1.2. IDA transactions 1971-1974 in manufacturing industry

Year ended 31 March	Amount Invested *			Jobs created		Amount invested* per job created (2 ÷ 5)
	Total	As % of -		Projected	Actual	
		GNP	GDFCF			
1	2	3	4	5	6	7
	£m	%	%	·000	000	£000
1971	23.5	1.4	5.9	12.5	7.6	1.9
1972	12.5	0.7	2.8	8.7	16.9	1.4
1973	23.0	1.0	4.3	14.1	17.8	1.6
1974	58.8	2.2	9.5	23.3	16.2	2.5

* New industry and small industry grants.
Main source: Annual Report of IDA, 1974

Notes

- Col. 3: Gross National Product at current market prices.
Col. 4: Gross Domestic Fixed Capital Formation at current market prices.

Our general appraisal from Table 1.2 is that IDA has been very successful in creating jobs at low capital cost in manufacturing industry. The number of jobs created as shown in columns 5 and 6 is, of course, gross. There is no contradiction between these sets of figures: the "projected" figure relates to number of jobs ultimately to be created some of which levels have not been achieved. We shall, however, take the "actual" figures of some 17,000 gross per year (i.e. the lower figure) in manufacture during the last two years shown. To achieve a net figure we need an annual total to account for redundancies, retirements and deaths. NESC [14] suggest 5 per cent for redundancies alone for "industrial employment", amounting at present to about 10,000 a year. If this figure be accepted for all reductions the net annual increase for manufacturing industry would be about 7,000 (= 17,000 - 10,000). How does this accord with Walsh's projected increase for all jobs?

One of the most constant statistics for Ireland in the recent past has been the number, actual (at CP) and estimated, in the labour force (i.e. GO at work and out of work), at CPs of 1961, 1966 and 1971 being (in million) 1.11, 1.12, and 1.13 respectively, and for each of the years 1967 to 1973 the estimates are all 1.2 million, a large fall in AFF being almost exactly balanced each year by an increase in non-agriculture. To regard the labour force as augmentible therefore acquires imaginative effort. However, Walsh gives convincing reasons for the possibility of this happening. Under his main assumptions of full employment (i.e. 4 per cent unemployment) and

net emigration never exceeding 5,000 a year, he requires this labour force total to move to 1.30 - 1.35 million by 1981, a narrow range it will be noted, between his High and Low estimates. Making our own guess for the number at work in forestry, fishing and employees in agriculture, and accepting Walsh's figure for family members at work on farms, we find 0.18 million in AFF, leaving 1.12 - 1.17 million for number at work in non-AFF in 1985, say 1.14 million.

Proportions of non-AFF at work in manufacturing industry were identical (to units place) at 27 per cent at CPs of 1961, 1966 and 1971. As this constancy transpired during a period of great economic advance, we see no need to change it for the year 1985, so our 1985 estimate for number at work in manufacturing industry would be 308,000 (= 1.14 x .27 million compared with 214,000 at CP 1971, an average net advance of 6,000 a year in the 15 years 1971-1985. This 6,000 compares with the "actual" 7,000 achieved by IDA established above for manufacturing industry in the two years 1973-1974. It would therefore appear that a continuation of IDA activities at more or less present levels would be likely to lead to full employment in 1985. We must look at such a crucially important inference from another angle.

The figuring purporting to lead to such a heartening conclusion is obviously hazardous, in particular in the assumption that the 27 per cent for manufacturing as a proportion of non - AFF employment will persist. So we try to check our finding against experience in some recent years, mindful that the last two years are of deepening depression - see Table 1.3

Table 1.3 Gross and net changes in numbers at work in Irish manufacturing industry, 1971-1974.

Head	Thousands			
	1971	Month of December		
	1971	1972	1973	1974
1 CSO, actual number	195.8	199.7	207.5	203.7
2 Dec. to Dec. net change	-3.4	+3.9	+7.8	-3.8
3 Gross new jobs created, Dec. to Dec.	7.6	16.9	17.8	16.2
4 Estimated job losses	11.0*	13.0	10.0	20.0

Source: Annual Report IDA 1974

* 10.0 in IDA Report, 1974.

Notes

Head 4 = head 3 - head 2. While some statistical doubt must attach to Table 1.3 - in particular do head 3 figures derive from the (very rounded) head 4 figures or vice versa - only in the case of one of the four years, namely 1973 (usually regarded as the most prosperous recent year), has the required 6,000 at head 2 been exceeded. One notes the great variation from year to year in the head 2 figure. Even if the 1974 figure be excluded, as that for a year of depression the average gain for the three years 1971-1973 is only 2,800. Also, the poor showing of the net gain in the years 1971-74, in order to obtain full employment by 1986 the foregoing net target of 6,000 a year for fifteen years would have to be revised to something like 9,000 a year for the remaining period.

The foregoing paragraphs are included as an exercise in economic arithmetic which may have some interest. Conclusions must be indecisive. It seems safe to state however, that, to achieve full employment in ten years' time the activities of IDA, highly commendable to date, must be greatly intensified, in large part to make up for the depression of the last two years.

Other Remarks about Employment

With all the constancies we have cited for the recent past, experiences of simultaneous occurrences of high unemployment with high net emigration and, very recently, of low or no emigration with very high unemployment, it is hard to conceive of low unemployment and low emigration obtaining a decade or so from now. In the rapidly changing world anything can happen; we shall be wise to keep our options open.

As we have already suggested, one of these is mobility. It is of the first importance that we shed our traditional attitudes and take a fresh look at everything, mobility in particular. If, with a high birth rate continuing (see below), migration out shows a tendency to revive, it will do so on the decisions of free individuals and so accepted by the nation, increasingly Europe-oriented. Official recognition (perhaps by a Division in the Department of Foreign Affairs) must transpire, to look after the interests of migrants. In the education and training of our people, the possibility of mobility must be borne in mind, e.g. in teaching foreign languages, though we Irish are fortunate in our having as a native tongue English for the vast majority, now almost the lingua franca of the West. In certain circumstances it may be conceivable for an Irish government to promote migration, should high unemployment come about.

Acceptance of the 27 per cent obtaining in 1985 as the proportion of number in manufacturing to non-AFF total at work implies a theory of autonomous-induced in the T. J. Baker¹ sense, "autonomous-induced" being much the same as "cause-effect". Baker would not regard all manufactures as autonomous nor indeed all non-manufacture (e.g. the public service) as induced. He would probably agree that in the present-day a much more prosperous agriculture may have higher powers of local induction than when he wrote his pioneering paper in 1966.

Might we suggest that government and IDA interest themselves in promoting services and service-type industry (construction⁷ etc.) as well as manufacturing, so as not to rely on the latter (alone) bringing this about by induction? In this connection one welcomes the CSO's 5 per cent Labour Force Survey which, if carried out annually and promptly compiled, will make it possible to keep the employment situation under review and to help promote balance where necessary.

⁷ Building and construction are of course, fostered by government but, we suggest, not enough, as evidenced by the enduring condition of large unemployment in this industrial group.

While the promotion of manufacturing is deeply embedded in the Irish consciousness as almost the sole expedient for increasing employment and for reducing unemployment, very recent work on Irish towns [4] has shown that the industrial town is not a particularly prosperous one. Other employments should be positively promoted.

Finance 8

In 1958-59 payments of UB and UA together amounted to £4.5 million, in 1973-74 to £36.2 m., equivalent to 0.7 per cent and 1.3 per cent respectively of current GNP at market prices. These amounts are gross, i. e. of contributions to UB by employees and employers and of government to UB and UA. Contributions by employees and employers are, in the national accounting convention, regarded as part of direct taxation. As proportions of current transfer payments (excluding national debt interest £37.2m. in 1958 and £298.1m. in 1973) unemployment payments represented 12.1 per cent in both 1958 and 1973.

The amounts paid to the unemployed are strategic figures from our point of view. In fact, the success or otherwise of two of the approaches we consider for lessening unemployment, namely direct labour and labour subsidisation must be adjudged mainly by the saving they effect in unemployment expenditure. In the last paragraph we have shown that, in relation to GNP and to the total of current transfers unemployment payments are surprisingly small, despite our high unemployment rate. In 1972-73, the last year for which full details of transfer payments are available, we note that UB and UA together amounted to £27.1m. but old age and widows' pensions were £64.5m. and £25.9m. for disability payments, actually only slightly less than unemployment payments, £27.1m. This situation is somewhat anomalous if one takes the view that keeping the nation's labour force healthy and competent should have a high priority in government expenditure.

It is shown above that the proportion borne by unemployment payment in the total of transfer payments has been much the same in 1958-59 and 1973-74. Indeed a quasi-constancy in the proportions devoted to the different objects of transfer payments is inevitable from the political point of view. According to precedent, any increase in unemployment payments can come about only with an increase across the board in transfer payments.

In 1973 Geary [8] showed that "having regard to relative incomes Ireland's present distribution of transfer income (except national debt interest) measures up to the best EEC standards". For this view he was roundly assailed by J. O'Higgins and M. O'Hagan [15], B. M. Walsh [23] and Finola Kennedy [11] also took part in the debate. Geary had purported to show, from a study of the relative trends of personal income per head (Y) and current transfers (except national debt interest) as percentage of current personal incomes (X) in the period 1947-1971 that when Irish income reached EEC levels, Ireland's transfer payments proportion would exceed those of all other eight EEC partners. O'Higgins and O'Hagan maintained that in such a study what was relevant was rather a cross-section study of countries in relation to the two variables and not a time trend study for a single country. In an unmeek rejoinder [8] Geary, using new

8 Throughout this section payments to the unemployed all relate to the financial year ended 31 March.

estimated data, showed that in the period 1968-1973 X and Y were both increasing exponentially but X (the ratio) was rising at a far higher gradient. He therefore maintained his position that Ireland was well at the head of the EEC league in this matter.

O'Higgins and O'Hagan did not try to rebut Geary's thesis but rather to insist that he had not proved it. Walsh's main point was that Geary's transfer payment bag was too miscellaneous. Kennedy agrees with Geary, also maintaining that this was the case with Walsh.

This issue is an important one, in the unemployment context. That, as a poor country, we are now far ahead of our partners in income redistribution (in deference to our critics we parenthesise "if this be so") must constitute a potent argument with EEC for a more than average share of payments for unemployment and other relief.

The Future of the Dependency Ratio

B. M. Walsh's [14] estimates of the dependency ratio for 1986, ranging from 68 to 79 from his various projections (compared with 73 in 1971) are still very high by presentday European standards. These projected excess magnitudes are due entirely to young dependency, in turn due to the high birth rates ranging between 21 and 25 per 1000. Are these rates, based by Walsh on very careful assessments of nuptiality and fertility, plausible? The rate in 1974 was 23.

In 1973 the birth rate amongst our eight EEC partners ranged from 10 - 16, actually less than half the Irish rate of 22 in the case of West Germany. Despite the nearly 50 per cent increase in the marriage rate since 1966 after a long period of stagnation, there are little signs yet of an increase in the Irish birth rate, nor indeed does Walsh foresee any large increase⁹. But it seems likely that, as Ireland's relations with its EEC partners become closer, its birth rate will also move nearer to the the EEC average, as has the marriage rate.

At several points in this chapter we have felt compelled to refer to mobility. Yet another remark: if this difference, or anything like it, in birth rates, persists, migratory (temporary or permanent) manpower might become one of the nation's most precious assets. In an increasingly wealthy Europe the country's receipts from migrants' remittances - a not negligible £32m in 1973 - could become a formidable element in helping to balance our current international payments, rather chronically out of balance

Are the Unemployed a Class Apart?

In the absolute sense the answer is No; there is some movement into and out of the LR. But we have seen that half the number of men on the LR in November 1973 were there for six months or more; that in September 1973 townsmen on the LR on average had only 12 weeks employment in the previous twelve months. It is also relevant to remark that the two big unskilled categories experience unemployment with exceptional severity. Obviously there is a hard core of unemployed, i. e. of men who are permanently on the LR.

⁹ Geary [5] showed (1935) that there was a significant cross-section inverse relationship (with countries as units) between fertility rate and marriage rate which he surmised was partly due to less fertile women being married in countries with high marriage rates and vice versa. This he also showed was true in Ireland, with counties as units.

To answer the question posed above, we require statistics of the amount of unemployment experienced by the employee class as a whole and not merely particulars of the unemployed at particular dates. Unfortunately information of this kind for Ireland is available only for a remote date in the past, in fact at CP 1936.

At CP April 1936 the number of NAU was 69,000 or 12 per cent of the non-agricultural employee class (573,000). Of these, no fewer than 428,000, or 75 per cent, experienced no unemployment in the previous twelve months. This means that only 145,000 had some unemployment during the twelve months, about twice the number out of work at any given date. We do not know if this latter fact still obtains: there are indications that the 2:1 ratio would be lower recently but before the present recession began. Our answer to the question must be something like "Mainly Yes". This does not mean that most or any of the long-term unemployed are unemployable. If this were true there would be little point in this exercise. It does mean that, perhaps the majority of the unemployed at any given time have become accustomed to unemployment as a way of life and for this reason alone, may be reluctant to change (even though change may be demonstrably for the better) especially with the present increased rates of unemployment pay. This is surmise. To make it less so, is the main reason for embarking on a sample survey, pilot to start with; see Chapter 3.

Choices Open

These are several:-

1. Leave matters as they are, accepting present level of unemployed, remunerated as well as the country can afford.
2. Rely on the purely economic approach with perhaps intensification of IDA effort.
3. Wage subsidization, whereby employers receive payments from the government to keep on workers whom they would otherwise have to let go.
4. A direct approach: as soon as a worker becomes unemployed he is given a job low in material and capital cost, a large extension of present LA practice which extends only to minor road making and repairing etc. These works are social in character, largely infrastructural, typical of the kind of tasks undertaken by government, with no goods or services for sale.
5. Another direct approach: the setting up of local industries, cooperative or other which, while producing goods or services for sale, are not primarily impelled by the profit motive.
6. Controlled mobility internal and external.
7. Programmes of training, retraining and general education of the unemployed.

In subsequent chapters some of these different approaches will be examined in the light of our own and other countries' experiences. The optimal solution may be a mixture.

While we do not think that Choice 1 will ever be acceptable, it is necessary to point out that an optimal solution, i.e. "the greatest good to the greatest number" on linear or mathematical programming lines, subject to specified constraints, may ordain a high level of unemployment, unless of course, one constraint is that this be low.

In our view, 2, as far as it succeeds, is by far the best of all choices though its success will almost certainly involve others of those listed, e.g. the infrastructural element in 3 and 4. A proper study of 2 would involve us in the history of economic development in Ireland which we cannot undertake. Instead we would refer students to an excellent treatment by James Meenan [12].

We would hope that examination will find merit in 3, especially in times of depression like the present. One wonders to what extent it is permissible under EEC regulations as enabling Irish industries to reduce prices to increase sales at home and abroad - unless it be adopted by all nine members. Certainly it would be one of the most acceptable and least disturbing, to the worker himself, as avoiding or postponing redundancy.

As to 4, at little cost and with little extra training, in addition to road-making one could list environmental improvement, site clearing, drainage and clearing of gorse etc. on farms, house building (an industry with a perennially large number of unemployed), and works in the interest of the tourist industry which may thereby reassume its position as the Irish industry with almost the largest potential.

IDA might take over 5. We have already dealt at fair length with 6. We have only to repeat our appeal to shed traditional attitudes towards emigration, and recognise it fully at official levels. We add one remark: traditional appraisals of emigration are always biased as relating to particular invariably bad cases coming to the notice of charitable societies and the press.

Nothing could exceed the importance of 7. Here one would like to see an extension of AnCO, though teachers will be faced in a large way with the age of trainees and low level of formal education attained. The impression prevails that we Irish are insufficiently trained or educated.

Almost all that has gone before is surmise. Our task will be to convert this into something more reliable.

Appendix to Chapter 1.

The first draft of Chapter 1 was presented as a separate paper (as by R. C. Geary) at the 14th General Conference of the International Association for Research in Income and Wealth held in Finland in August 1975. We are much indebted to K.A. Kennedy for the following summary of the discussion.

Mrs Margaret A. Mod of the Central Statistical Office of Hungary, the discussant, began by saying that it would be good if more scientific papers were written as clearly as Dr Geary's. The paper deals with the phenomenon of unemployment itself rather than with its implications for the national accounts. She welcomed this policy-oriented approach. A total of seven possibilities were listed for dealing with the phenomenon. She agreed that a mixture or combination of these policies was required.

Speaking of emigration, she referred to the Hungarian situation where there was substantial emigration in the 19th and early 20th centuries, so much so that the country was unable to maintain its population. After the war, there was a major drive for full employment both because this was desirable in itself and because they felt that everyone's work was badly wanted to rebuild the country. Hungary was successful in this, and even though many of the occupations involved low productivity work, still she felt it was better to have everyone employed. She did not regard emigration as a free decision in a situation where insufficient jobs were available.

She felt that Dr Geary's paper did not adequately distinguish between the present situation and the prospects for the future, given the substantial natural increase in the Irish labour force. In her view, economic development should play the main role in providing adequate jobs. Emigration tends to leave behind a demoralised population. Welfare payments make development harder since people become accustomed to them and unwilling to take work. Failure to give priority to economic development would widen the gap further between Ireland and other countries. She queried the conclusion in Dr Geary's paper that the present rate of economic development in Ireland would be sufficient to achieve full employment in the next decade.^{A1}

She raised the question as to why there had not been greater capital inflow from abroad, since she assumed that there was a plentiful supply of cheap labour. She felt that particular attention should be given, in looking towards the future, to the question of what manpower structure was best adapted to the needs of the country and what training was required to achieve this structure. She felt strongly that priority should be given to training geared towards providing the desired manpower structure. Hungary had encountered severe problems where training was of a type that could not be used in the jobs available.

Mr Marczewski referred to the probability that the wage rate was inelastic with respect to the supply of labour because of the close connections with the U.K. economy. He enquired whether this was making for substitution of capital for labour to a degree which made it impossible to provide

^{A1} We have accepted this criticism, also made by K.A. Kennedy, and have modified the text accordingly.

full employment. He also felt that the educational system was ill-adapted to the needs of full employment.

Mr Jaroslav Kux of the Federal Statistical Office of Czechoslovakia raised the question as to why there was a close correlation between unemployment and emigration, since he understood that unemployment primarily arose in unskilled occupations whereas emigration consisted mainly of the skilled. Dr Geary explained to him that although there was some brain drain of skilled people from Ireland, the bulk of emigrants were unskilled.

Abbreviations

AFF: Agriculture, forestry, fishing

AnCO: The Industrial Training Authority

c.c.: Correlation coefficient

C.P.: Census of Population

CSO: Central Statistics Office

DO: Depressed occupations

DW: Durbin-Watson statistic

EEC: European Economic Community

ESRI: The Economic and Social Research Institute

GDFCF: Gross domestic fixed capital formation

GNP: Gross national product.

IDA: Industrial Development Authority

ISB: Quarterly Irish Statistical Bulletin

LF: Labour force

LR: Live Register of current unemployment

NAU: Non-agricultural unemployed

NESC: National Economic and Social Council

TESR: The Economic and Social Review

TUE: The Trend of Employment and Unemployment, compiled by CSO,
latest for 1973

NMS: National Manpower Service.

UA: Unemployment Assistance

UB: Unemployment Benefit.

The second chapter is in three parts; the first is a historical review from the statute of 1703 to the Report of the Inter-Departmental Committee on State-aided Employment Schemes (1945-1946); the second part deals with guidance from experience; while the third describes the existing institutions.

I A Historical Review*

Under the statute of 2 Anne, c. 19, 1703, all "vagabonds and beggars" found in the city or liberties of Dublin were consigned to the care of the governors of the workhouse established in Dublin pursuant to that statute. The accommodation fitted up for their reception consisted of "the vaults and other convenient places" under the hall of the workhouse. These vaults or cellars are specified as having been 240 feet long by 17 feet wide with an "airy" sunk at the outside of the building for the purpose of affording light and to carry off the rain water, and they were to have a double row of beds "two tire" high to admit of sleeping 100 men and 60 women, and also to be used for their working and day accommodation. Disabled poor were not to be admitted under any pretext whatsoever.

The law required vagrants and sturdy beggars "to be employed", and to work "voluntarily", but when there was no work or employment to be had for them they were apparently liable to be flogged, imprisoned, receive "severe usage", and be treated with "proportionate rigour", and finally were to be transported beyond the seas "without trial or traverse".

Until the year 1931, when they died their bodies were buried without coffins, but after that time it was ordered that they should have coffins - allowed for their remains.

Their diet was, perhaps, the most merciful thing in their treatment. It consisted of fair quantities of gruel, bread, milk, porridge and "burgoo" with some milk and one pound of meat a day extra to those who could do a hard day's work and earn 8d".¹

¹ Royal Commission on the Poor Law and the Relief of Distress, Report on Ireland, 1909, parag. 210. The Commissioners added that "This burgoo (burgout, Fr., brose, Sc.) consisted of some oatmeal stirred up in cold water seasoned with salt and pepper".

* Part I of this chapter was prepared for us by our one-time ESRI colleague, Mr Donald Curtin, for which we are very grateful.

Organised, centralised relief of the unemployed and destitute may be considered to have commenced in these islands with the reform of the Poor Law in Britain culminating in the Poor Law Amendment Act of 1834. The general features of the reforms are well known, and need only be briefly summarised here:

"The intention of these changes was to enable the distributors of relief to resist local pressure, whether from employer or workman. The rate in aid of wages, the reformers contended, corrupted the employer by encouraging him not to pay the market rate of wage, and the labourer, by making him satisfied with casual labour, instead of a regular job. Both men had an interest in maintaining the existing system. This circle it was intended to break by refusing all relief outside of the workhouse except to those destitute sick and old people, children and infirm persons whose right to relief had never been denied. Relief outside or inside the workhouse was to continue to be given to these, even perhaps some improvement in treatment, for the reformers urged the abandonment of the general mixed workhouse and the use of more specialised institutions and policies. The real innovation in 1834 was the refusal of relief, except inside the workhouse, to the unemployed person, and the principle of making the circumstances of the men there in receipt of relief less digible, in the phrase of the law, than those of the poorest-paid labourers outside it. For this reason, the new workhouses were made as harsh as the Poor Law Commissioners, who laid down the general rules of their administration, dared allow them to be",²

(2) W.H.B. Court, A Concise Economic History of Britain (Cambridge, 1965), the merits and demerits of the supposed effects of the pre-reform Poor Law are a matter of debate; see M. Blaug, "The myth of the Old Poor Law and the making of the New", Journal of Economic History, 23 (1963), reprinted in Essays in Social History, eds. M.W. Flinn and T.C. Smout, Oxford, 1974.

As for Ireland, the Royal Commission of Inquiry into the Condition of the Poorer classes in Ireland, in a series of three reports (1835-8), came out against the extension to Ireland of such a Poor Law system, but their views were over-ruled in favour of a hastily researched proposal by Mr (later Sir) George Nicholls; his views were enshrined in the Poor Relief (Ireland) Act, 1838. The Vice-Regal Commission on Poor Law Reform in Ireland, in its Report published in 1906, assessed, with the benefit of the experience of over sixty years' working of the 1838 Act, the conflicting views of the Royal Commission and Mr. Nicholls as follows:

"Having considered the condition of the country Mr. Nicholls then proceeds to discuss the introduction of a system of Poor Law into Ireland, and he assumes that the objections urged against such a law as the English Act are twofold, first those founded on an anticipated demoralization of the Irish peasantry, and secondly those founded on the probable amount of the charge². It is time that such objections were urged against an introduction of the English system, but Mr. Nicholls ignored or failed to see that the real objection was that the widespread poverty and destitution of Ireland required such a development of the resources of the country as would ultimately provide employment in a normal way for a reasonable proportion of the population. The Workhouse could only 'relieve'² those who had fallen mortally wounded in a hopeless struggle. The millions of people clothed in rags, miserably underfed, and unhealthily housed, would not be affected by the panacea of Mr. Nicholls. Such millions of the Irish poor as were only a little

above the low-water mark of utter destitution, would receive no benefits from the English Poor Law. On the contrary, their few shillings and pence would be reduced by the obligation to contribute their share according to the rate-book towards the upkeep of the Workhouse. It was from this point of view that the Royal Commission and many writers who published their opinions put forward renumerative employment as the remedy for the able-bodied, and institutions for those who were physically or mentally unfit for the ordinary struggle of life".³

The Vice-Regal Commission came down firmly on the side of the Royal Commission:

"The Irish Royal Commission ... recommended the development of the resources of the country in order that undertakings might be started, which would in due course give employment to those able and willing to work; and the opinion of the Commissioners was that in this way the widespread and exceptional poverty of Ireland ought to be relieved. This is our opinion also; and we can point to the excellent results, as far as a merely experimental income permits, of the work of the Congested Districts Board in the establishment of industries and fisheries leading to an ordinary commercial trade ... We believe that Ireland still requires, and is entitled to, assistance on a sufficient scale to develop its resources; and that without such help emigration must continue, without any hope of improvement or progress for those who remain at home We are convinced that we are not going outside our proper function

³ Report of the Vice-Regal Commission on Poor Law Reform in Ireland, Cmd. 3202 (Dublin: HMSO, 1906),

in pointing out that in our opinion the low level of subsistence and comfort throughout nearly all Ireland, with the poverty and destitution resulting therefrom, cannot be effectively relieved by any Poor Relief Law such as that of 1838".⁴

The Poor Relief (Ireland) Act, 1838, despite the weighty criticisms directed at it before and during its life, survived unchanged in its essential features until the change of government in 1920-22.⁵ The introduction of "Outdoor Relief", as opposed to "Indoor Relief" in the workhouse, was sanctioned to a limited extent by the Poor Relief Extension Act, 1847, passed at the height of the Great Famine. The consequent increase in rates was highly unpopular with the ratepayers, with the Boards of Guardians of the workhouses who had to face the ratepayers' ire, and with the Poor Law Commissioners. For example, in Carlow as 1847 drew to a close, "The guardians, intimidated by the ratepayers, set the harshest of standards for the grant of outdoor relief"⁶ but as the effects of the Famine grew even more severe,

"The resistance of the ratepayers to the collection of the poor rate grew stronger as the rate increased. In August, 1848, the collector for the Queen's County divisions reported that when goods seized by him were publicly auctioned there was not a single bid. Another collector succeeded in collecting rates from one ratepayer only. The harassed Guardians struck off nearly 3,000 persons from the outdoor relief lists during the same month and in October the chairman of the board, Fishbourne, informed the Poor Law Commissioner

⁵ See S. O Cinneide, "The development of the Home Assistance Service", Administration, Autumn 1969,

⁶ J.A. Robins, "Carlow Workhouse during the Famine years", Administration, Summer 1972,

⁴ Report of the Vice-Regal Commission,

that if, in consequence, injustices arose the commissioners themselves would have to accept the blame. By Christmas Eve 1848, when there were 1,972 persons in the workhouse and its ancillaries, the numbers on outdoor relief had been reduced to 37 and the total expenditure by the guardians on outdoor relief during Christmas week was only 16/5½d." ⁷

In the years after 1900, two Commissions were set up to examine the operation of the Poor Law : the Vice-Regal Commission on Poor Law Reform in Ireland, and the Relief of Distress, which produced Reports on England and Wales, Scotland and Ireland.

The primary conclusion of the Vice-Regal Commission has been quoted above, that only intensive development of the economy would reduce the burden of large numbers of unemployed. This modern-looking recommendation, however, belies the tone and detail of the Commission's Report. In fact, the Commission was more draconian in its proposed treatment of the unemployed than the old Poor Law had been. The Commission's broad terms of reference, which included the provision, "Generally to enquire and report whether any, and what administrative and financial changes are desirable in order to secure a more economical system for the relief of the sick, the insane, and all classes of destitute poor in Ireland, without impairing efficiency of administration", enabled them to discourse on the principles which they suggested should inform public policy, so that the Report is a valuable source of official attitudes to the unemployed at the turn of the century.

The Commission took a census of workhouse and fever-hospital inmates on 11th March, 1905, and discovered that of a total of 45,195, only 4,667 could be classed as "able-bodied paupers"; there were "no others prima facie whose admission as a class was due to destitution or such idleness or laziness as leads to destitution". It has been

7. Robins, op. cit.,

noted that in the English workhouses, too, the picture by this date was much the same; the workhouses "were not designed to make life pleasant for the work-shy able-bodied, but by the 1890s this kind of inmate was in a small minority. They had virtually become hospitals for the old, the young, and the weak in body and mind".⁸

These 4,667 people the Commission divided into three classes: 813 casuals ("perhaps frequently in receipt of indoor relief in the same workhouse, who have usually or for a considerable time resided within the Poor Law Union"), 878 vagrants ("a person who wanders about from Union to Union, very frequently obtaining in a workhouse a bed for the night and a meal or two before resuming his journey"), and 2,976 others. Casuals (sometimes called "ins - and - outs") and vagrants were, it was proposed, to be treated very severely, after investigation of their case,

"There should, we suggest, be power conferred upon a Court of Summary Jurisdiction to direct them to be sent for a term of from one to three years to a Labour-house in which the inmates should, as is said to be the case in Belgian establishments, be required to make or produce as far as possible the food, clothing and necessaries for such an institution.

"As regards labour-houses we should be sorry to see in them any thing suggestive of more comfort than can be derived from very hard work, enough of simple food, clean healthy buildings, fittings and surroundings, but everything of the plainest roughest kind. After the first starting and equipment of the labour-house we think that the inmates, all of whom would be able-bodied, ought to be obliged to rely as far as possible on their own labour for their support; and as a stimulus they should be individually made to feel the necessity for personal exertion".⁹

⁸ C.G. Hanson, "Welfare before the Welfare State", in The Long Debate on Poverty, IEA Readings 9, 1972.

⁹ Report of the Vice-Regal Commission.

The Commission then proceeded to consider the case of the majority of the "able-bodied paupers", a class which included

"labourers or servants who have lost their situations for some fault, or through ill-health, and who cannot get re-employed in the same kind of situation they had before; those who have failed in business or in some independent employment owing to drink, dishonesty or inefficiency; and men who are cripples or who have rupture or some other physical defect - all of whom are healthy in the sense that they are able to be about and to be put on the healthy diet [of the workhouse]" 10.

In other words, this class included both those who were unable to support themselves through their own moral faults or inefficiency, and those rendered unemployed by the depressions of the trade cycle, by the inefficiency of their employers, and by other factors unconnected with their own abilities or virtues. The Commission's proposals for this class of unemployed were:

"We have recommended that the existing law be amended so that respectable widows with only one child be eligible for out-door relief [the existing rules restricted outdoor relief to widows with two or more legitimate children], and we consider that any men or women in this class who are disabled by physical defect, though otherwise healthy, might be removed to the County 'Almshouse'. All the others of the ne'er-do-well class would properly, in our opinion, be sent to the labour-house". (II)

10 Report of the Vice-Regal Commission

11 Report of the Vice-Regal Commission.

Rarely before or since has there been such an unequivocal statement that poverty was a crime in itself, "ne'er-do-well" being used literally, to designate all those who have not prospered, who have affronted private property by a criminal attempt to exist on the earnings of others. The Commissioners justified their recommendations:

"We are conscious that our proposals as to vagrants, ins - and - outs, and ne'er-do-wells involve very great interference with the liberty of such classes to remain at large and to support themselves either dishonestly, or as mendicants and paupers, mainly out of the earnings of the independent poor. But even one of the most strenuous advocates of individual liberty has admitted that

'As soon as any part of a person's conduct affects prejudicially the interests of others society has jurisdiction over it, and the question, whether the general welfare will or will not be promoted by interfering with it, becomes open to discussion'.

"The injury done by these classes to the rest of the community, and still more to themselves, is obvious; and we recommend in their own interests, and for the good of the public and of the country, that these injurious and irresponsible members of society be taken in hand like children, and be, if possible, educated into a capacity for leading a useful independent life. No person has a right to remain idle and to live upon the public; and if anybody persists in such a course of life, it is thought by us that the State ought to try to teach him to become industrious, by compulsion if necessary".¹²

¹² Report of the Vice-Regal Commission, Commission is from J. S. Mill.

The quotation cited by the

The Commissioners showed some small mercies; a charge of vagrancy would not lie against itinerant musicians who registered their calling with the authorities, for example. Also, in the larger urban areas it might prove necessary, presumably in view of the greater numbers involved, to establish casual wards "in which applicants for admission or discharge might be received and dealt with daily, or otherwise as might be arranged, and sent to a suitable institution, or given out-door relief, as might be thought best by the local authority".

The Vice-Regal Commission's ferocious attitude to the unemployed was by no means out of tune with the iron temper of the time. Three years later, in 1909, the Royal Commission on the Poor Law and the Relief of Distress published its Report on Ireland; as was also the case with the Reports on England and Wales and on Scotland, there was a majority and a minority view, the minority view being especially associated with Mrs. Beatrice Webb. The majority - 13 out of 18 members of the Commission assenting subscribed to the principles laid down by the Vice-Regal Commission concerning the unemployed: "In the enlarged areas which we have recommended, or in groups of them, it may be found necessary to establish industrial or agricultural institutions such as we have suggested for England, and indeed the Vice-Regal Commission are clearly of opinion that such institutions will be necessary, and the proposals which we now make are the development of ideas contained in their report".¹³

13. Royal Commission on the Poor Law and the Relief of Distress, Report on Ireland, Cmnd. 4630 (HMSO, 1909).

The majority suggested in some detail how these institutions should be run:

"Earlier in this report we have expressed our opinion that these institutions should be both curative and restorative in treatment. The discipline should be strict. The open air life will conduce to the rehabilitation of those subject to its influence; there should be attached to each institution sufficient land to employ a number of persons, and provision should also be made for those who, by reason of physical infirmity, are not fitted for agricultural labour. The workshops and land need not necessarily be adjacent to the housing accommodation, but they should be either in the country or on the outskirts of the town, and the institutions should be so organised as to provide several distinct classes of treatment in distinct divisions. Well conducted men might if they show industry, be awarded small gratuities in the shape of good conduct pay, the greater part of such pay to be allowed to accumulate and be given to the men on leaving. We are thus recommending the introduction into Ireland of modified Labour colonies which have proved to some extent successful in England and on the Continent. Some such system should be inaugurated if adequate provision is to be made for the able-bodied, casuals and tramps".¹⁴

For those reprobate cases guilty of "wilful refusal ... to perform the work or to observe the regulations duly prescribed", or of "giving way to gambling, drink or idleness, with the result that a person or his family thereby became chargeable", a second tier of "one or more compulsory detention colonies" was proposed; "institutions which are essentially necessary to the success of these Voluntary Industrial and Agricultural Institutions which we have just alluded to"; the Industrial and Agricultural Institutions were voluntary in the sense that an unemployed person could choose between them and the detention colonies.

¹⁴ Royal Commission, Report on Ireland.

The minority view - that of Prebendary Russell Wakefield, Mr. F. Chandler, Mr. George Lansbury and Mrs Sidney Webb - held that in fact the majority opinion "seems to us to make recommendations different in character from the proposals of the Vice-Regal Commission, whilst expressing a general approval of those suggestions". Much of the Vice-Regal Commission Report had been taken up with what would today be called the health services, and it was true that the Royal Commission majority recommendations as to the structure, composition, financing and control of the health service authorities were at variance with the Vice-Regal Commission's suggestions. The minority pointed out that bad legislation had followed "the celebrated scamper through Ireland of Mr., afterwards Sir. George Nicholls", and stated that "we depreciate any hasty legislation on the lines of this Report":

"We do not feel that the Commission has been able, in the limited time at its disposal, to make any such investigations into Irish conditions as would warrant such momentous departures from the proposals of the Vice-Regal Commission, nor do we feel that the evidence which we had before us supported any such departure". ¹⁵

The minority, then, disagreed with the administrative proposals suggested by the majority of the Royal Commission. They also disagreed with the principles of treatment of the unemployed proposed for Ireland by both the Vice-Regal Commission and the majority of the Royal Commission. They particularly dissented from two sets of proposals:

"The repeal of the Unemployed Workmen Act of 1905, the abolition of the existing Distress Committees and the cessation of the grants hitherto received by them, without the establishment, until some indefinite future time, of any provision for workmen out of employment other than that of the Poor Law."

¹⁵ Royal Commission, Report on Ireland, Minority Report.

"The continuance of the present legal prohibition of Outdoor Relief to able-bodied men, and to occupiers, however aged or infirm, of a quarter of an acre of land; the abolition even of the existing workhouse provision for this class; and the substitution, for women as well as for men, of "industrial institutions" and "detention colonies", in which alone, however deserving may be the case, able-bodied men, able-bodied women, and persons in occupation of a quarter of an acre of land may be relieved". ¹⁵

In the opinion of the minority,

"Imperfect as is the Unemployment Workmen Act of 1905, we think it should, nevertheless, be retained until some better provision is made in its stead. We see no reason why the alternative measures proposed for England and Wales should be withheld from Ireland. We have, in our own Report on this subject for England and Wales, elaborated a complete scheme for dealing with the whole problem of the Able-bodied and the Unemployed on national lines. We have there stated that, in our judgement, it is now administratively possible, if it is sincerely wished to do so, to remedy, on the lines that we have laid down, most of the evils of Unemployment; to the same extent, at least, as we have in the past century, diminished the death-rate from fever and lessened the industrial slavery of young children. That statement, after renewed consideration, we reiterate and emphasise". ¹⁵

Disagreements between the majority and the minority of the Commission peaked over the recommendations for Ireland; both parties could agree on a wide variety of proposed reforms for England and Wales, including the establishment of employment exchanges, an end to the principles of deterrence from public relief occasioned by demeaning and arduous conditions, and so on. Why the majority chose to adopt the views of the Vice-Regal Commission is a matter of conjecture, and the Report on Ireland terminated in a morass of mutual recrimination. The comparison made by the minority between Sir George Nicholls and the majority rankled mightily with the Irish representatives on the Commission, the Bishop of Ross and Sir Henry Robinson, the Vice-President of the Local Government Board for Ireland. Stressing their position as "the members appointed on the Commission specially to represent Ireland, and to apply to the Irish problems our life-long knowledge and experience of that country", they wrote a stinging Memorandum, which concluded:

"The only other point to which we must refer is the solemn warning uttered by the Minority against our scheme of reform, on the ground of its being the result of an enquiry as hasty and perfunctory as that which they describe as Sir George Nicholls' 'celebrated scamper' through Ireland in 1837.

"This criticism comes somewhat badly when accompanied by an alternative scheme prepared by four members of the Commission, two of whom did not visit Ireland at all, while the time spent in the country by the only member who accompanied the Commissioners on their visits was even shorter than that occupied by Sir. George Nicholls' visit, which, on account of its brevity, has called forth such a severe condemnation from the Minority".¹⁶

¹⁶ Report of the Royal Commission, Memorandum by The Bishop of Ross and Sir Henry Robinson.

Perhaps the only member to escape with credit from the Royal Commission's squabbles concerning Irish conditions was Dr. Downes, the Senior Medical Inspector for Poor Law purposes to the Local Government Board for England. He appended a Note to the Report, which simply read, "I feel that my acquaintance with Irish affairs is insufficient to warrant my signing the Report".

Before proceeding to consider the policies adopted by the government of the Irish Free State, it should be pointed out at this stage that a number of statutes had been enacted before 1921 which went a small distance towards ameliorating the lot of the Irish unemployed; the most significant of these were the two Relief of Distress Acts of 1880, the Local Government Act, 1898, the introduction of state pensions through the Old Age Pensions Act, 1908, and the institution of schemes of national health and unemployment insurance through the National Insurance Act, 1911.¹⁷

In 1925, the Minister for Local Government and Public Health set up the Commission on the Relief of the Sick and Destitute Poor, including the Insane Poor, which reported in 1927.¹⁸ Its general objective was to devise "permanent legislation for the effective and economical relief of the sick and destitute poor", and particularly, as regards the unemployed,

" 1. To inquire into the adequacy and suitability of schemes which have been formulated under the Local Government (Temporary Provisions) Act, 1923, and make recommendations.

2. To advise as to whether the existing law and regulations as regards Home Assistance [the Royal Commission's new name for the older 'Outdoor Relief'] require alteration towards securing that due provision is made for the sick and

¹⁷ Details of the earlier statutes may be found in the Reports of the Vice-Regal Commission and of the Royal Commission, and for the later statutes the First Report of the Dept. of Social Welfare, 1947-49, provides excellent descriptions.

¹⁸ Report of the Commission on the Relief of the Sick and Destitute Poor, including the Insane Poor (Dublin, SO : 1927). Extensively summarised in O Cinneide, op. cit.

destitute poor in their own homes without avoidable wasteful expenditure on healthy persons who are incorrigibly idle".¹⁹

The Local Government (Temporary Provisions) Act, 1923, had been an interim measure to give legality to, and to impose some kind of uniformity on, the various schemes devised by County Councils during the breakdown of the Dublin Castle administration to replace the Poor Law system. The Act provided "that legal authority should be given to the schemes of Poor Relief which have been put in operation by several County Councils, that power should be given to other County Councils to formulate similar schemes, that certain emergency powers should be given to Local Authorities, and that authority should be given temporarily to the Minister for Local Government to deal with Local Authorities which are forgetful of their duties and responsibilities".²⁰ If evidence were required that the workhouse system had been universally detested in Ireland, the County Council schemes abundantly demonstrated it; "in some a complete break away from the spirit and associations of the old Poor Law was aimed at.

Features common to all the schemes were the abolition of Boards of Guardians and the abolition of the workhouses".²¹

By 1927, schemes had been approved by the Minister in every county, except for the County and County Borough of Dublin. Everywhere the workhouse as such had been abolished, though the buildings were often converted into County Homes or hospitals; everywhere, the principle of institutional relief of the poor and unemployed was repudiated, all the schemes prescribing "that no person eligible for relief shall be relieved in any institution provided and maintained under the scheme unless he can be relieved effectively in such institution at less cost than in any other lawful way".⁽²²⁾

19. Report of the Commission, Terms of Reference, p. 1.

20. Local Government (Temporary Provisions) Act, 1923, preamble.

21. Report of the Commission.

22. Report of the Commission.

It was not the case, however, that home assistance should be given without any test of willingness to work: "The Boards of Health are also not without power to test the able-bodied person seeking home assistance. Under the County Boards of Health (Assistance) Order, 1924, they can require the performance of such suitable task or work as the Board may determine so long as home assistance continues. It should be possible with the assistance of the County Surveyor in the case of the able-bodied to devise a scheme of work for such which might be as effective a test of their need as the workhouse was intended to be. These provisions are, in our opinion, wise and if properly administered should prevent abuses and extravagance". ²³

The Commission devoted some attention to the actual effectiveness of the new schemes in relieving poverty:

"While we are willing to concede that it was perhaps difficult to foresee what result the closing of a large number of workhouses simultaneously and the removal of all restrictions in the granting of Home Assistance would have on the relief of the poor, we are convinced that the schemes, both positively and in their administration, have in some counties, particularly the larger where the distance from the Homes and Hospitals is considerable, operated prejudicially in the interests of the poor while the saving in cost has been negligible ...!" ²³

"An analysis of the amounts allowed shows that the assistance granted can only be looked on as a supplement to other means or to what can be got by begging and from charitable sources, and we fear that in many cases it is altogether inadequate to provide the necessaries of life, the want of which or of the capacity to supply them is the qualification for relief ...!" ²³

23 Report of the Commission.

We are satisfied from the statistics placed before us and from the evidence that Boards of Health, whilst perhaps acting with more liberality than their predecessors, still fall short of discharging their full obligations in regard to persons eligible for relief who cannot be sent to institutions, and this applies particularly to the cases of widows with children and able-bodied males with dependant families. For neither of these classes is there any method of relief other than Home Assistance." 23

The Commission concluded that, in view of the extensive changes in the Poor Law system and the proliferation of social services, "the existing Poor Relief Acts should now, we consider, be repealed altogether and the amended Poor Law stated in a single consolidating statute". With a time-lag entirely typical of attempted reforms of the Poor Law, the consolidating statute did not appear until 1939, when the Public Assistance Act, 1939, became law. By that time, however, relief of the unemployed had been largely divorced from the County Council home assistance schemes with the passage of the Unemployment Assistance Act, 1933, which instituted the "dole". Unemployment assistance, and schemes of public works on which the unemployed could draw wages, became the two main pillars of government support for the unemployed, and the problem of allocating public monies between the two alternatives so as to maximise some measure of return, or to minimise some measure of cost, was regarded as sufficiently important to warrant the appointment of two inter-Departmental committees. The Inter-Departmental Committee on Public Works produced five reports in 1935 and 1936, and the Inter-Departmental Committee on State-Aided Employment Schemes reported in 1946 24

24 Inter-Departmental Committee in Public Works (1934-6): First Interim Report to the Minister for Finance, January, 1935; Second Interim Report, January, 1936; Third Interim Report, April, 1936; Fourth Interim Report, June, 1936; Final Report, November, 1936.

Inter-Departmental Committee on State-Aided Employment Schemes, Report August, 1946.

Table 2.1: Expenditure, Unemployment Relief, 1922-1946 (£000)

Year	Unemployment Benefit to Workpeople	Unemployment Assistance	Employment Schemes	Emergency Schemes	Total, Works Schemes	Unemployment Relief Act, 1931	Rock Fund Employment Grants
1922-3	1021.7	-	339.6*	-	339.6*	-	-
1923-4	934.3	-	-	-	-	-	-
1924-5	1090.9	-	380.6*	-	380.6*	-	-
1925-6	662.5	-	336.5*	-	336.5*	-	-
1926-7	503.0	-	30.4*	-	30.4*	-	-
1927-8	441.7	-	101.2*	-	101.2*	-	-
1928-9	445.3	-	27.5*	-	27.5*	-	-
1929-0	453.7	-	-	-	-	-	-
1930-1	498.4	-	121.3*	-	121.3*	-	-
1931-2	566.3	-	156.2*	-	156.2*	91.2	-
1932-3	661.8	-	593.0	-	593.0	117.7	568.3
1933-4	591.8	-	549.2	-	549.2	23.2	243.4
1934-5	592.2	1028.7	497.5	-	497.5	10.5	16.8
1935-6	536.2	1595.0	474.5	-	474.5	3.1	1.0
1936-7	487.3	1170.2	1133.7	-	1133.7	2.1	-
1937-8	627.0	1092.6	1602.9	-	1602.9	-	-
1938-9	664.1	1338.9	1666.0	-	1666.0	-	-
1939-0	703.8	1504.5	1579.5	-	1579.5	-	-
1940-1	766.3	1208.0	1554.3	-	1554.3	-	-
1941-2	856.4	1029.0	868.9	243.5	112.4	-	-
1942-3	784.9	1050.6	918.5	407.6	1326.1	-	-
1943-4	655.8	1072.7	833.6	514.7	1348.3	-	-
1944-5	598.7	1034.5	671.9	716.3	1388.2	-	-
1945-6	670.3	1034.8	651.6	728.5	1380.1	-	-

* Exclusive of local contributions, the amount of which is not readily ascertainable.

Sources: Unemployment insurance and unemployment assistance, First Report of Dept. of Social Welfare, 1947-49, pp. 168, 172; others, Report of Inter-Departmental Committee on State-Aided Employment Schemes, 1946, tables 10-15.

The payment of unemployment assistance did not commence until the end of April, 1934, so that the bulk of unemployment relief up to that date, exclusive of unemployment benefit, consisted of public works schemes. Table 2.1 shows the distribution of the major categories of unemployment expenditure from the foundation of the Saorstat, through the years of the Depression, to the end of the Second World War.

The institution of unemployment assistance was a momentous innovation in Irish social policy; assistance was the first form of welfare payment specifically intended for the unemployed, as opposed to schemes established for the relief of poverty or destitution in general, on which the unemployed, together with many other classes, could claim. The unemployment assistance system remains essentially unaltered today, over forty years after its introduction, though it is now bolstered by redundancy payments and pay-related insurance benefit. The remainder of this chapter is devoted to an examination of the early years of the scheme's operation - the circumstances of its introduction, together with its impact on the recorded incidence of unemployment - and to the ways in which successive governments attempted to reconcile the unemployment assistance scheme with the alternative public works schemes.

At first sight Table 2.2, which lists the numbers unemployed as adjudged by members on the Live Register, presents a bewildering picture of wild fluctuations in unemployment. Up to May, 1932, the Live Register consisted mainly of claimants for unemployment insurance benefit; in May, 1932, however, "In order to ensure that the large grants which were being made for the relief of unemployment would go to the class of persons for whom they were intended, a condition was attached to each grant that the labour required for the work which was being subsidised or financed should be engaged through the Local Offices. As a counterpart of this, Local Officers were instructed to give preference to applicants most in need of work, taking into consideration,

Table 2.2: Numbers on the Live Register, 1926-35 '000's

End of	1926	1931	1932	1933	1934	1935
January	33.0	28.9	32.0	95.6	94.3	138.8
February	31.2	27.7	31.2	38.7	98.6	141.6
March	28.2	25.6	30.9	82.5	100.5	137.9
April	26.1	24.0	32.3	70.0	98.1	135.0*
May	24.5	23.0	35.9	65.3	94.4	
June	22.8	21.6	66.9	60.6	90.4	
July	20.7	21.8	77.6	56.2	89.7	
August	20.0	21.1	75.1	55.6	98.3	
September	21.0	23.4	78.1	58.9	110.2	
October	22.0	26.1	88.5	71.6	117.5	
November	23.4	30.1	102.7	82.6	123.9	
December	22.5	29.3	102.6	82.0	128.1	

* Mid-April

Source: Trend of Employment and Unemployment, 1926-1935, Dept. of Industry and Commerce (1935), Appendix A for 1926-33, Appendix B for 1934-5.

among other things, the length of time applicants were on the register".²⁵

The Register, which formerly was little more than a list of claimants to benefit, now consisted for the most part of persons seeking employment on State-funded activities, though this did not necessarily correspond to a true measure of unemployment, since it included "numbers of the agricultural community, including landholders and the children of landholders living at home and persons who could not be described as unemployed in the common meaning of the term"²⁵; however, the Register was also misleading in that members of the unemployed - as opposed to small farmers or others underemployed - did not register: "Relief works offered no special attraction to persons who were not accustomed to unskilled manual labour and besides their influence on registration affected chiefly married men to whom preference for the work was given. Furthermore, relief work was not in progress continuously or simultaneously in all districts".²⁵ From May, 1934, the operation of the Unemployment Assistance Act further distorted the figures: "The benefits of the Act attracted large numbers of persons for whom registration had previously little or no attraction and who, consequently, did not register themselves and it also provided inducement to those who hitherto had only occasionally appeared on the register to maintain continuous registration".²⁵ The resulting changes in the composition (as opposed to the total) of the Live Register are summarised in Table 2.3.

Table 2.3: Composition of the Live Register²⁵

	Unemployment Benefit Claimants	Unemployment Assistance Claimants	Non-Claimants	Total
27th April, 1931	16,362	-	7,658	24,020
28th Feb., 1934	22,504	-	76,138	98,642
Mid-April, 1935	18,798	108,535	5,668	135,001

²⁵ Trend of Employment and Unemployment, 1926-35.

In attempting to assess the extent of unemployment and the success with which assistance and public works schemes dealt with the problem during the Depression years, it is obvious that administrative changes make the interpretation of official unemployment figures very difficult. It is evident that a large body of unemployed and underemployed persons existed, going by the ease with which each administrative change drew forth yet higher numbers on the Live Register, but it is difficult to tell whether "real" levels of unemployment varied much from year to year, or in what direction. The view of the Dept. of Social Welfare was that "Ireland, like other countries, was profoundly affected by the world economic depression which began for industrial countries towards the end of 1929. Being mainly agricultural, our country felt the effects of that depression somewhat later and less severely than the industrial countries. The pattern of effects, however, was broadly the same and showed itself in steadily falling prices (particularly for agricultural products) and in increasing unemployment and underemployment".²⁶ On the other hand, the Dept. of Industry and Commerce felt at the time that "All the available evidence goes to show that employment in the aggregate was considerably greater in 1934 than in either 1926, 1931 or 1933. Even in agriculture employment has shown improvement ... The examination of the facts and figures readily available relative to unemployment which has been made in this memorandum makes it apparent that there is no evidence of an increase in unemployment during recent years. At the same time it has been shown that there is a great increase in the volume of employment, especially in the volume of industrial employment".²⁷

26 Dept. of Social Welfare, First Report, 1947-9,
Trend of Employment and Unemployment, 1926-1935, Irish Trade Journal,
December 1935.

27

Whatever the truth of the matter, the Government of the day felt that some special steps should be taken to combat the effects of unemployment. Road Fund monies were twice appropriated for this purpose, under the Unemployment Relief Act, 1931, and as Special Road Fund Employment Grants, a total of £1,077,278 being spent under both headings over 1931-7 (see Table 2.1, last two columns). In addition, in 1932, a Special Works Division was set up in the Office of Public Works, whose functions included the study of "the problem of securing a more effective and equitable distribution of the available moneys"²⁸; special public works schemes only began to assume a major role, however, after the Inter-Departmental Committee on Public Works presented its series of reports. The Committee's terms of reference were:

"To consider the extent to which it is practicable to devise a scheme of useful and desirable public works to be carried out within a period of four years with a view to reducing expenditure on Unemployment Assistance to a minimum, and to report upon the nature and extent of such works, the steps to be taken to initiate them, the best method of financing them and the organisation to be set up to carry them out".

Its First Interim Report suggested a programme of public works for 1935-6, which would involve a State contribution of just over £2.9m; the wages content of the programme was also calculated, including, where information available allowed, the wage content of materials purchased, and it was found that roughly two-third of total expenditure would accrue as wages. The Committee was mindful of the fact that their terms of reference were not completely consistent; in an Appendix the Committee set out

²⁸ Inter-Departmental Committee (1946) Report, Appendix 1 of this Report gives a short historical review of employment schemes since 1922.

"orders of preference, from various points of view; of the different types of works reviewed and the first of these Orders of Preference indicates the relative potentialities of the works from the point of view of the number of unskilled workers per £100 of total expenditure. As practically all the persons who can be taken off Unemployment Assistance lists by the carrying out of a Public Works Programme will belong to the unskilled labour class, it would seem that the works to be adopted should follow this order of preference.

The Committee's Terms of Reference, however, require them to put forward a programme for reducing expenditure on Unemployment Assistance to a minimum and this requirement obliges them to put forward another Order of Preference based on the total amount of unskilled labour which would be absorbed by the total programme involved in each case.

The minimum to which expenditure on Unemployment Assistance can be reduced in 1935/36 is limited by the maximum of the works which the Committee can suggest as "useful and desirable" and it is, accordingly, necessary to include a third Order of Preference

... based on the Committee's opinion as to the relative social utility and urgency of each type of work". ²⁹

As it turned out, the orders of preference yielded quite different rankings. By the first criterion, minor relief schemes and drainage and road making in connection with bog development both yielded over sixty weeks of employment to one unskilled man per £100 of total expenditure. On the second system of preference,

²⁹ Inter-Departmental Committee (1934-6), First Interim Report.

the suggested road works schemes yielded by far the greatest number of unskilled men continuously employed for one year - around 12,500. By the criterion of social utility, public health works came at the top of the list.

As a first estimate, the Committee considered that about 25,000 men would be taken off the assistance lists for a full year, but this was too optimistic for two reasons: firstly, the skilled labour required would probably come off the unemployment insurance lists, and secondly certain of the works required more labour than was locally available and in receipt of assistance, so that some of the 25,000 workers would necessarily be unskilled workers not in receipt of assistance. A more realistic estimate, therefore, was that some 18,000 men would be taken off assistance. Using a rotational system of employment - "a system of alternate equal intervals of not less than three nor more than six days' employment and unemployment for all workers" ²⁴ 36,000 men previously in receipt of assistance would be given employment over a full year; the saving in assistance would be roughly £700,000 per annum. The conclusion was, then, that "it will be necessary for the community to undertake a gross liability of say, £3,250,000 on Public Works, i.e. for every £1 saved on gratuitous Relief £4 to £5 would be spent on keeping the Recipient in semi-constant employment. The social utility to the community of the works, when executed, should, of course, be set off against this gross figure". ²⁴

The rotational system outlined by the Committee in the First Interim Report was elaborated in the Second Interim Report, and in fact was subsequently adapted for all employment schemes (though not for emergency schemes) over the period 1936-46, until the arrangements were amended by the 1946 Inter-Departmental Committee's Report. The rationale behind the system was as follows:

"S. 19 of the Unemployment Assistance Act provides that no Unemployment Assistance shall be payable in respect of the first six days of continuous unemployment in any continuous period of unemployment. Thus it is possible to visualise a system whereby men employed on such Public Works as are covered by this Report shall be given employment only in alternate weeks. In this way, they would cease to draw any Unemployment Assistance and, in effect, two men would be given work instead of one". ²⁴

The actual type of rotational scheme favoured by the Committee was one suggested by the Office of Public Works:

"The principle of this Scheme is the addition of some percentage to the rates of Unemployment Assistance payable to workers, the workers being given employment at ordinary rates of pay so that their total remuneration for such works, on a rotational or part-time basis, reaches the amount of Unemployment Assistance plus the fixed percentage. As the rates of Unemployment Assistance per week are considerably less than normal rates of wages for a full week's work, the employment afforded cannot be continuous, the number of days' work in a given period depending on the rates of Unemployment Assistance being paid to the various workers. This means that the available work is rotated among a larger number of men than would, if continuously employed, be required to do the work". ²⁴

The Committee recognised that such frequent turnover of workers would probably have a prejudicial effect on the efficiency with which the work was done; also, "the Committee cannot but apprehend that at least a certain amount of organised labour trouble may attend the operation of the Scheme".

It would appear, too, that the Committee had doubts about the wisdom of relief works schemes in general. They submitted three points to the Minister for Finance:

" 1. A special scheme of public works provides no permanent solution of the unemployment problem and, even during its continuance, makes little contribution towards the training of the young in skilled occupations.

2. No extensive special scheme of public works can be devised which will not include a high percentage of works of little or no economic value.

3. Unemployment Assistance cannot be reduced by means of special schemes of public works without an overall increase of expenditure and, therefore, of taxation, which in the opinion of the Committee may have a serious adverse effect on industrial and agricultural activity and, in the long run, intensify the unemployment problem".

Finally, the Committee's second Interim Report concluded by providing answers to particular questions asked by the Minister, of which this is illustrative of the temper of the time:

³⁰ Inter-Departmental Committee (1934-6), Second Interim Report. The Minister replied, not to worry about these fundamental problems but to concentrate on the matter in hand.

"Q. Is it desirable that the State should receive some return in the form of work for wages from receipts of Unemployment Assistance?

A. Yes; but it is recognised that the difference between working and not working justifies some addition to the rates of Unemployment Assistance. It is, however, clearly to be understood that the Unemployment Assistance provision should be regarded as an interim payment during unemployment and that the receipt of money without working should not be allowed to grow into a vested interest". ²⁴

The Committee's Third Interim Report presented the results of two national surveys of the unemployed, taken in 1934 and 1935, the former being an exceptionally exhaustive census classifying the unemployed by age groups, conjugal condition, occupations and so on. — The Committee also produced its proposals for a full four-year programme of public works, as opposed to the single year span considered thereto; it estimated that the full programme would cost the State an extra £7,367,000 in addition to the cost of the first year's works (as set out in their First Report). But the greatest points of interest in the Third Report lie in the Committee's attitudes to the financing of the works and to the possible repercussions on private enterprise. The long-run effects of public works expenditure had rarely, if ever, been previously, scrutinised closely, and the section of the Report on finance raises very wide issues of principle, as well as being a valuable source of pre-Keynesian economic thinking in official circles in Ireland:

"There is no information before the Committee showing that a four year period dating from the present is definitely individual in any way which affects the necessity for special relief founded in registration for Unemployment Insurance or Unemployment Assistance."

"A very large proportion of registrants constitute a census of endemic poverty due to conditions of long standing and slow remedy. Increasing employment due to industrialisation and tillage and other policies is liable to be largely counteracted by the increasing pressure of population caused immediately by restriction of emigration and ultimately by the increase of the marriage rate. "

"It would seem, therefore, that, assuming that present conditions require artificial distress relief of a certain specified amount, the methods of financing that relief over a period of four years should take definitely into account the probability that relief on something the same standard will require to be provided during a period considerably in excess of four years. While very exceptional circumstances, such as cataclysmic temporary depression, would justify a very long term loan with consequent low annual charges, merely cyclic conditions of difficulty, if met by loan, would necessarily involve short term loans with high annual charges. "

"While it is probable that the whole sum required for a £12,000,000 Four Year Plan cannot well be raised by taxation in that period, having regard to the small amount of exceptional temporary distress now existing relative to the dead weight of endemic poverty and to the small prospect of any market diminution of this total in the immediate future, it is clear that the proper term of a loan to finance, at present, a four year relief plan would be so short as to impose a very heavy burden on the annual estimates during its life. "

"The safest course would be to decide that no part of the present charges borne by revenue for Unemployment Assistance or relief of distress should be met by loan and that a considerable portion of any further expenditure under these heads during the next four years should be met out of revenue, in the form of ad hoc taxation."

"The programme is the maximum that the Committee have been able to visualise, but the extent to which it should be carried out depends upon striking a balance between the disadvantages of increased taxation and the benefits of the temporary employment that would be provided."

"The Committee, though they have had under consideration various methods adopted in other countries for raising funds to relieve unemployment, regret that they are unable usefully to recommend any new sources of taxation for this purpose".²⁴

This type of reasoning has a close affinity to the 'Treasury view' excoriated by Keynes; in older times men built pyramids, but "we are so sensible, have schooled ourselves to so close a semblance of prudent financiers, taking careful thought before we add to the 'financial' burdens of posterity by building them houses to live in, that we have no such easy escape from the sufferings of unemployment".³¹ But the operation of relief works was also restricted by the extreme attitude adopted by the Committee concerning interference with private enterprise, of which two examples will suffice:

31 J.M. Keynes, General Theory of Employment, Interest and Money.

"One of the proposals made to the Committee was for the construction of stadia in or near each of the four county boroughs and the larger of the urban districts for the staging of sporting and athletic events. Sporting facilities in these areas have been supplied and maintained by private enterprise and it has not been made clear to the Committee that these facilities are so inadequate as to justify State competition with the private enterprise". 24

"Suggestions were also made for the provision of passenger shelters and goods clearing stations for road borne vehicular traffic in towns and villages and important junctions The proposal was unacceptable to the Committee as it would be tantamount to subsidising private enterprise". 24

The problem of where the proper function of the State to relieve distress trespassed on the province of private enterprise came to a head when the Committee turned to consider its proposed Farm Improvements Scheme, which formed the subject of the Fourth Interim Report. This scheme subsequently proved to be probably the most successful of those recommended by the Committee; in 1946 it was suggested that

"special consideration be given to the development of the Farm Improvements Scheme as a means of stimulating employment in the rural areas. This is now the largest service provided for in the Employment and Emergency Schemes Vote, the allocation in 1946/47 being £400,000, or 32% of the total Vote. In the Majority Report of the Committee of Enquiry on Post-Emergency Agricultural Policy, the following reference is made to the Scheme:

"We are favourably impressed by the success of the Farm Improvements Scheme administered by the Department of Agriculture. Considerable improvements which otherwise would not have been made, were carried out, particularly on small farms, through the operation of this Scheme. We, therefore, recommend that the Scheme should be continued and expanded".²⁴

At the time of its inception, however, the Committee felt that it had to justify, at length, their proposed subsidisation of private agricultural interests - particularly, it may be presumed, in view of their previous strictures. The type of farm improvements mooted included drainage, reclamation of bog, removal of rocks, fencing and so on. The organisation of the scheme was as follows:

"The work would be carried out by gangs of men recruited from the Unemployment Assistance Register and employed by the State on a special rotational system ... The Farm Improvements Scheme would be divided into two parts:-

(a) Holdings exceeding £15 Poor Law Valuation

"Under this portion of the scheme the farmer would be required to repay one-third of the cost of labour. This repayment would be made by means of a long term annuity. The proportion of one-third is fixed so as to maintain the cost to the State at approximately the amount of Unemployment Assistance which would otherwise be payable to the workmen employed. The farmer would be liable personally for the entire cost of any materials required during or on the completion of the work."

(b) Holdings not exceeding £15 Poor Law Valuation

Under this portion of the scheme, the State would provide only 75% of the labour required for the work; the farmer would be required to contribute the balance of the labour in kind. Grants on a graduated scale, not exceeding one-fourth of the total cost of labour, would be made to the farmers towards the cost of any materials required during or on the completion of the work.

.....Ancillary to the Farm Improvements Scheme, a special scheme would operate in the Congested Districts whereby small holders who are themselves in receipt of Unemployment Assistance would be required to carry out improvement work on their own holdings to the value of their Unemployment Assistance. On the completion of the work, grants representing one-fourth of the total estimated cost of the work (including the provision of materials) would be made to the small holders". 24

Now the Committee had to turn to the sticky problem of why agriculture should be chosen to receive the benefit of these subsidies, and to the subsidiary problem of which particular classes of farmer were to be favoured with the public bounty - a question which has to be resolved anew for all types of relief schemes of public works:

"Whatever might be the reaction towards such a scheme if it were proposed in the ordinary way, a new orientation appears to be justified by the fact that a large public expenditure from which no material return³² is now obtained can, by a scheme administered as above, be converted, through a widely distributed body of individuals, into community value.

32 The concept of the multiplier was not known to the Committee, and the refrain of "no material return" from assistance payments is constant. The only realisation that relief measures affected the level of demand was that the Farm Improvements Scheme would lead to increased spending power of farmers; see Fourth Interim Report.

It may be urged as an objection to the Scheme that it represents a further benefit to the farming community;³³ but, the scheme is considered as a relief work for rural areas and it is obviously the agricultural community which must benefit directly or indirectly by any form of relief work carried out in rural areas.

"So far as holdings not exceeding £15 Poor Law Valuation are concerned, no apologies are required for State Assistance, as the principle of subsidisation has already been established by the operation of Small Scale Reclamation Schemes, the extension of which to areas outside the Congested Districts was recommended on its merits as a social service by the Department of Agriculture."

"In relation to holdings above £15 Valuation, the Committee feel, apart from the fact that the Department of Agriculture consider the subsidisation of Farm Improvements to be desirable in the national interest, that Agriculture may properly be regarded as an industry the expansion of which will provide scope for permanent employment in the future. To the extent to which land reclamation and improvement will enable extra land to be brought into use, State subsidisation is justifiable as an economic investment to ensure extra permanent employment in the future and so to relieve the drain upon the Public purse. This is a feature of the proposal which the Committee cannot over-emphasise. So far as holdings exceeding £15 Poor Law Valuation are concerned, the scheme has been framed on the basis of effecting this paramount purpose at approximately the same cost to the State as the present cost of gratuitous relief to the workmen who would be employed".²⁴

³³ Up to 1932, it was State policy to give priority to agricultural interests; "this affected not only agriculture but also the policies governing industrial production and the scope and purpose of public expenditure", J. Meenan, The Irish Economy Since 1922, See Meenan's Chapter Twelve, 'Agriculture: Issues of Policy'.

Ultimately, the Committee simply stated that the scheme was the best that it could devise, and that the benefit outweighed the sinfulness of subsidies:

"Viewed only from the point of view of substituting gainful employment for idleness, the Farm Improvements Scheme as a whole has the advantage, compared with other public works which have been reviewed by the Committee, that it would provide work, in their natural sphere, for persons in receipt of Unemployment Assistance, which would be at once productive of public welfare by prevention of the deterioration of the morale of the unemployed and, at the same time, directly and economically productive from the national point of view. The fact that these objects can be attained at an extra cost to the State which is inconsiderable in comparison with the extra cost involved in other public works suggested for the relief of unemployment, in respect of not all of which it can be said that they are economically productive or likely, in any way, to contribute towards the permanent relief of unemployment, is a factor which must, in the Committee's view, place the Farm Improvements Scheme, to the extent to which it is practicable, in the forefront of their Programme."

"In view of the fact that the Scheme, when it is in full operation, can be administered on such a widespread scale as to make it of common application, the objection that its benefits would accrue to the property of individuals is tenable only if it can be shown that the large public expenditure on Unemployment Assistance, from which no material return is, at present, obtained, could economically be diverted to another purpose which, while not directly benefiting the property of individuals as such, would be of equal benefit to the agricultural community and to the nation as a whole. No such alternative presents itself to the Committee". 24

By 1946, when the Inter-Departmental Committee on State-Aided Employment Schemes (1945-6) presented its Report, the country had had a decade's experience of public works schemes, and it was exceedingly fortunate that this body of experience came to be assessed by a Committee which showed itself to be capable of exhaustive and intelligent analysis. The Report is far more than a recitation of obvious successes and failures made manifest over the previous ten years. In many places, it is a truly social document as, for example, when it considers the attitudes of those employed on relief schemes to the work - something which would have been regarded as quite irrelevant not long previously, except insofar as it might adversely affect efficiency. The Committee went further than any official body hitherto dared in stating bluntly that in modern conditions the makers of social policy had to make a choice of some point on the trade-off between compassion and efficiency:

"the principal drawbacks to the present system of administration of employment schemes, apart from difficulties inherent in these schemes, can be traced in large measure to the original policy of employing the maximum number of unemployment assistance recipients, and allowing the element of the relief of distress to be the primary consideration in the selection of workers. The Committee consider that this policy was based on a too optimistic estimate of the average quality of the men on the unemployment assistance register, and of the degree of benefit to be derived by these men from short spells of work on the rotational system. The rotation of the workmen served to underline the "relief" feature of the schemes, and produced an unfavourable reaction in the men which, in time, infected the employing authorities themselves. Although the instruction

to employing authorities was intended to secure a reasonable balance between relief and economy, there was an absence of uniformity in its application due to the requirement that the men were to be recruited in the order of their unemployment assistance rates beginning with the highest, as well as to the inherent difficulty of judging the capability and willingness of men. This resulted in many areas in the employment of too large a proportion of definitely inferior workers

"..... the Committee are presented with a problem of a fundamental character, viz., how far the element of relief should be allowed to affect the efficiency and economy of the work undertaken. If the idea were to be preserved of improving men who are not capable of being made suitable for heavy manual work, there would necessarily be a serious sacrifice of efficiency and economy. The more the idea of compassion enters into the picture the less economic the work becomes. The Committee realise that this problem must eventually be related to the general social policy of the State, but in their view experience has shown that it is not possible to graft on to any normal system of carrying out public works a policy of rehabilitating inferior workmen, without opening the door to abuses and continuing the unsatisfactory conditions which have prevailed in the past". 24

Accordingly, the Committee recommended that employing authorities could choose whomever they pleased from the register of recipients of assistance, and that rotation "so far as it affects the number of days work per week, should be discontinued, and a full week's work given in all cases". The Committee felt strongly that the authorities should be clear as to what they expected relief works to achieve; it was possible that these types of schemes could do a great deal of harm:

"Many of the works carried out as employment schemes are important public works which would otherwise have to be carried out at a later date by the local authorities themselves. It is, accordingly, most desirable that the cost and quality of these works should approximate to the standard of works ordinarily carried out by normal methods".²⁴

Of particular importance among the conclusions drawn by the Committee were those relating to the capabilities and attitudes of the unemployed. Partly drawing on the results of a special enquiry conducted in late 1945, and partly from other evidence, the Committee arrived at results which indicated the effective bounds for the scope of public works schemes. As regards the talents and qualifications of the unemployed,

"Even a brief contact was sufficient to dispel the idea so prevalent among the general public that the unemployed comprise a homogeneous group of able-bodied persons capable at a moment's notice of undertaking unskilled manual work. A large proportion, particularly of the older men, were not physically capable of heavy manual work, and there were many others who, while perhaps sufficiently able-bodied, had had no experience of such work, showed no inclination to acquire it, and apparently preferred to take their chance of finding casual work of a lighter kind".²⁴

In support of this picture of a heterogeneous corps of persons, the Committee classified, on the basis of their 1945 inquiry, the sample of unemployment assistance recipients surveyed into three groups: 'A', being "men who appeared to be either already suitable or likely to become suitable for heavy manual work", 'B', "men as to whose suitability there was a considerable amount of doubt, and 'C', "men who, in the view of the Committee were definitely unfit for the heavy manual work required on employment schemes". In Dublin County Borough, the results found were:

<u>Age group</u>	A	B	C
	%	%	%
18 - 24 years	52	30	18
25 - 54 years	35	24	41
55 - 69 years	6	11	83
ALL AGES	29	21	50

Results for other urban areas were similar, and the Committee stated that "Even amongst those who could fairly be regarded as suitable for heavy manual work, the standard of capability varied widely, and was in general much below the average of workers in normal employment".³⁴ This led the Committee to consider the possible rehabilitating effects of spells of heavy work, and they considered these in the light of their discovery that the unemployed consisted of a large number of disparate groups:

"For men who are already fully able-bodied, and accustomed to heavy manual work, short spells of work on employment schemes should be beneficial and should tend to maintain fitness between spells of manual employment.

"Workers who are willing and have had experience of heavy manual work but who are deteriorating through unemployment, could derive considerable benefit physically from a two or three months' spell of work under proper supervision. In the case of many such workers even this amount of work should restore their capacity for work and their self-respect, and increase their desire for work. In the case of workers who have deteriorated considerably the process of complete rehabilitation would require a long term of constant employment under special supervision and control. Rehabilitation can only be maintained by reasonably constant work.

³⁴ Inter-Departmental Committee (1945-6), Report. Whatever the objections nowadays to defining people as "unemployable" - see B.M. Walsh, The Structure of Unemployment in Ireland, 1954-1972, E.S.R.I. Paper 77, the concept appears to have been appropriate at the time of the Committee's investigations.

"Men who have reached the lowest stage of capability for heavy manual work, and who have become chronically unemployed whether from age or physical debility or from constitutional or acquired defects of character, are not susceptible, by any ordinary means, of rehabilitation as workmen in any real sense of the term, and certainly not by intermittent spells of work on employment schemes."

"Men whose ordinary occupations have not accustomed them to heavy manual work are generally unsuitable for such work, the degree of unsuitability increasing progressively according to age. Even if such men were suitable, their employment on heavy manual work might lower their status and impair their skill in their own occupations, and thus lessen their chance of again being employed in those occupations". 24

Finally, three points made by the Committee deserve further mention. The first was that rotation, with the well-meaning object of spreading a given amount of wages as widely as possible among the unemployed and with the parsimonious object of saving as much dole payment as possible, failed in both at least with the rotational systems employed up to 1946. It alienated the workers - "it differentiates the work from normal work, and gives the impression that in reality it is relief work and merely a substitute for the payment of unemployment assistance" 24 - and resulted in very high costs for the work done.

Secondly, work camps or work corps are expensive and unpopular, as adjudged by the reactions to, and effects of, the Construction Corps; when, for example, declining to join the Construction Corps debarred young unemployed persons from drawing the dole, most preferred to lose the dole rather than join the Corps. In Dublin, only 781 out of 7,789 unemployed persons who were asked to join actually enlisted; 24 similarly, a work camp

set up for youths to work on the Turf Development Board's bogs in Offaly was only able to retain 48 out of 202 persons who went to the camp, and these 202 were in turn the maximum that could be persuaded to participate out of 1,200 approached. ^{2.7}

The third point made by the Committee was that the work-disincentive effects of welfare payments began to be apparent long before the present-day high levels of income maintenance payments:

"many recipients of unemployment assistance, particularly poor quality workers who have been on the register for a long time, have come to regard unemployment assistance in the light of a vested interest, and they seem to believe that the only reward they receive for working on employment schemes is the difference between their wages and their unemployment assistance payment". ^{2.4}

In the thirty-odd years since the 1946 Report, works schemes have gone so completely out of fashion that their eclipse itself was unnoticed, the 1972 Paper on 'Manpower Policy in Ireland' deeming their departure to be an insignificant event:

"Relief for the unemployed in Ireland today is based mainly on the framework of the earlier social insurance and social assistance legislation introduced in the 1920's and 1930's with three significant developments. The Department of Social Welfare was established in 1947 to co-ordinate all social insurance schemes and took on the administration of both unemployment benefit and unemployment assistance schemes on its establishment. (Prior to 1947, the schemes were administered by the Department of Industry and Commerce which was also responsible for the Employment Exchanges). In 1952, the unemployment insurance scheme was combined with schemes relating to sickness benefit and

widows' and orphans' pensions into a general social insurance code.

In 1952 male workers in agriculture became entitled to unemployment benefits in addition to all other social insurance benefits and in 1966 female private domestic workers and workers in agriculture became similarly entitled". ³⁵

Nowadays, the State is prepared to help, wherever possible, the smoother operation of 'the' labour market through, for example, the National Manpower Service, established following the institution of a separate Department of Labour in 1966. It is willing to cushion the costs of unemployment for the unemployed through such systems as the Redundancy Payments Scheme, introduced in 1967, and through the improvement of levels of existing services. ³⁶ There has been little basic criticism of this approach, the most-cited faults being its slow pace, its administrative inefficiency and the influence of political representations on the distribution of benefits. Perhaps it is time to reconsider whether the concession of unemployment assistance as a matter of right, which is the situation for all practical purposes at present, is the best solution for alleviating the effects of long-run unemployment. Little or no attention has been paid in recent years to the effectiveness and long-term effects of government social expenditure, other than some suggestions that income maintenance payments to the unemployed are now so high relative to wages during employment that they constitute a significant disincentive to work. The working of a free enterprise economy is now understood better than during previous attempts to link unemployment assistance payments to productive effort; the nature of the economy itself has changed so much

³⁵ Manpower Policy in Ireland (Dublin, SO, 1972).

³⁶ For an exposition of post-war social policy, see Finola Kennedy, Public Social Expenditure in Ireland, E.S.R.I. Broadsheet No. 11, February, 1975.

since the end of the Second World War that the traditional arguments against works schemes may have lost their validity. At the very least the danger of perpetuating a self-sustaining culture of poverty through thoughtless and indiscriminate State unemployment relief policies suggests that the assumptions underpinning current social policy deserve to be re-examined.

II Guidance from Experience

We have decided to present D. Curtin's article unchanged as part I of this chapter, as it seems to us excellent in its summarization of a very large mass of material. Here we draw our inferences mainly from part I, from our own study of one of Curtin's sources and from an additional official record.

For the latter part of his study, Curtin relies entirely on two remarkable official reports. ^{37, 38} We were fortunate in these documents being made available to us in typescript form. It is a pity they were not published, for they are a liberal education on the problems associated with the direct employment of the unemployed, as well as to official thinking thereon. The 1934-1936 Report (Chairman, Hugo V. Flynn, Parliamentary Secretary to the Minister for Finance, Secretary, J. C. B. McCarthy) is in the form of four interim and a final report. Curtin has commented on the Terms of Reference. We wish to stress part of the wording therein, that defining the Committees objective: "to devise a scheme of ... public works ... with a view to reducing expenditure on Unemployment Assistance to a minimum ..." It would be an exaggeration to state that the emphasis on finance was fatal;

it was certainly inimical to the efficiency of the works produced, though the

³⁷ Inter-Departmental Committee on Public Works 1934-1936.

³⁸ Inter-Departmental Committee on State-aided Employment Schemes (1945-1946).

very critical 1945-1946 Committee states that the works were useful. The text proper of the 1936-38 Final Report is very brief, but contains an alphabetical index and an index of place names, nearly 500 items, which is probably as relevant today as it was then as an indication of the kind of works which might be undertaken by unemployed people. A feature of the interim reports (especially the third) is the elaborate series of statistical tables which seem worthy of more examination in depth than is indicated in the Committee commentary, though, of course, the time to which they relate is remote.

The wording of preamble in the terms of reference of the 1945-1946 Report is highly significant:-

"Bearing in mind that employment schemes are undertaken, primarily, for the maintenance and rehabilitation of unemployed persons by affording them the opportunity to work and, secondarily, for carrying out works which are useful in themselves with reasonable efficiency ..."

The emphasis is completely different from the terms of the 1934-36 report of ten years previous. Gone is any reference to reduction of expenditure on UA. There is mention of rehabilitation and other advantages to the unemployed as people. Of course, works to be carried out are to be useful, but the word "efficiency" is qualified by "reasonable", implying that full economic efficiency is not to be expected. We have commented in Chapter 1 on changing public attitudes towards the unemployed. Clearly this was taking place in the years that spanned World War II. We shall maintain that these attitudes have evolved still further since the 1940's. A curious feature of the terms of reference is that recommendations are to be made only in regard to unskilled unemployed workers.

In the fourteen years 1932-1933 to 1945-1946 inclusive, aggregate expenditure on employment and emergency schemes was approximately

£16.3 m of which £12.7 m was in State grants and the remainder mainly from local authorities. Total expenditure was distributed by classes of works as follows:-

<u>Employment schemes</u>	£m
Public health works	3.2
Development of housing sites	0.6
Urban areas - mainly roads	2.4
Rural areas	3.7
Minor Employment Schemes	2.5
Miscellaneous	<u>0.8</u>
Total, employment schemes	<u>13.2</u>
<u>Emergency schemes</u>	
Farm improvements	1.7
Seeds and lime distribution	0.6
Bogs used by private producers	0.4
Rural Improvement	0.2
Roads subject to turf traffic	<u>0.3</u>
Total, emergency schemes	<u>3.1</u>
Total, all schemes	<u><u>16.3</u></u>

This £16.3 m was equivalent to £1.2m a year. Even allowing for the great change in the value of money this £1.2 m would be regarded as derisively small today. The insignificant impact of these schemes on the level of unemployment must have been due partly to this meagre expenditure. We surmise that public opinion would sanction net expenditure of one hundred times this amount a year if thereby a sizable dint in the number of unemployed could be effected.

As to departmental responsibility, the Vote was termed that for Employment and Emergency Schemes. In 1946-1947 the total was £475,000, of which £360,000 was undertaken by Local Authorities and administered

by the Department of Local Government and Public Health, £100,000 by the Special Employment Schemes Office (Office of Public Works) and £15,000 administered by various Departments. These small amounts show that by 1946-1947 official employment schemes had fallen on evil days (they may today be said to have ceased to exist?). The numbers involved confirm this:-

Year	No. of UA applicants	Average no. employed		Thousands
		Summer	Winter	no. employed at peak periods
1937-38	96.8	13.6	25.9	40.0
1945-46	57.0	8.4	18.4	27.6

These figures include those for the Farm Improvements Scheme, the peak figures for which increased from 9,000 to 11,500 (included in last column above). One is not surprised to learn that the agricultural schemes were regarded by the 1945-1946 Committee as more successful than other employment schemes. Prior to World War II about 95% of the UA register were engaged on schemes to which the rotational system applied.

In their terms of reference the 1945-1946 Committee were to have separate regard to (a) Dublin City, (b) other urban areas and (c) rural areas. At the request of the Committee the other responsible Department conducted a special census of UA recipients in Dublin and five other urban areas. With remarkable thoroughness they followed the census by interviewing the majority of unemployed persons on the register in the six urban centres. Curtin has noted that only 29% were found to be suited to heavy manual work; 50% were definitely unfit for the heavy manual work required on employment schemes.

Clearly a gloomy view was taken by the interviewers of efficiently employing registrants in Dublin. Following are a few quotations:-

"Perhaps the most striking fact for the great bulk of the men interviewed, their whole working lives in recent years at any rate, were made up of casual jobs separated by longer intervals of idleness".

"Many of the men interviewed seemed to be really dispirited and to have given up hope of finding constant or even casual work other than a spell on employment schemes".

"There was, however, some reason to believe that anxiety for work on employment schemes was partly to qualify for continued payment of unemployment assistance without going before the Court of Referees."

As regards interviews in the five other areas "the general impression gained was much the same as in the case of Dublin; the men were mainly unskilled or semi-skilled casual workers of less than average capability, the majority of whom had little prospect of work other than on employment schemes or occasionally on low grade jobs". The all ages percentage suitable for heavy manual work was 22, even lower, therefore, than Dublin's 29.

For rural areas, however, the Committee came to a guardedly optimistic conclusion:-

"The inference to be drawn from the foregoing considerations is that in the rural areas the labour engaged on employment schemes is not, on the whole, noticeably inferior to the average standard of labour".

In rural areas the all ages percentage of men fit for heavy manual work was 57, twice the levels already cited for urban areas.

The three main objects of employment schemes were (i) financial - the distribution over the largest possible number of men in proportion to their need, (ii) rehabilitation, (iii) testing of willingness to work. To achieve these ends a regulation was devised in three clauses (1) reasonable allowance for lower output, (2) employment only of men capable of reasonable output, and (3) workmen failing to give reasonable return of work to be discharged and their cases reported to the Employment Officer.

One is not surprised to learn that the regulation did not work yet again for three main reasons (a) many were hired who proved incapable,

(b) gangers were reluctant to dismiss men, mainly because dismissal might result in disqualification for UA (c) "the traditional laxity of organisation and indulgence towards workers associated with relief schemes in the past."

The 1945-46 committee devoted much attention to the subject of supervision and the rotation principle, both obviously related to "reasonable efficiency". In the committee's view:-

"Broadly speaking, small schemes are most suitably done by direct labour, and for large works the contract method is the more economical one".

"As a result of the introduction of rotation, the method of recruitment of workers, and other regulations, employment schemes could be carried out only by direct labour. Public works contractors could not operate under this system of labour control".

As regards employment schemes administered by the Department of Local Government and Public Health, in Dublin CB the committee were informed that most of the direct unemployment schemes would normally have been executed by contract. A special Relief Works section was established in 1941 to deal with part of it. (Note the word "Relief", thereby differentiating from "work" simpliciter and lowering its prestige). The works consisted mainly in housing site development, new roads and amenity schemes, mostly in the suburbs. Every member of the supervisory organisation was employed on a temporary basis because of the general uncertainty as to the duration of employment schemes on their present basis. The wages of these gangers were the same as those of the Corporation's other gangers, but these were considerably less than those of contractors' gangers. One is not surprised to learn that "in many cases [the cost of works] is unreasonably high, having been as much as 50% in excess of contract costs on works of a high labour content". The conclusion is important:-

"On the whole, the Committee are satisfied that the execution of capital works of any considerable magnitude by direct labour cannot effectively be undertaken by the local authority of a large city like Dublin".

The committee found that in CBs other than Dublin urban area works were more efficient than in Dublin mainly because in the smaller towns it was possible for the heads of their engineering organisations to have "intimate personal knowledge" of all the work. "Cork is probably the most efficient [with its] employment schemes," the reasons stated being the closeness of the city engineer to the work and care in selection of workers in the first instance. "In Limerick, Waterford and Dun Laoghaire supervision is reasonably close but the cost of the work is high on account of the poor quality of labour".

As regards the (then) 57 towns with urban status, the committee found it difficult to describe the quality of their work in a general way. It was found that the best work was obtained when the County Engineers' organisation was in charge, in contradistinction to "smaller urban areas [where] the Town Surveyor is a part-time official on a comparatively low salary and his normal responsibilities in the matter of roads are confined to the maintenance of back streets and lanes".

In rural areas employment schemes undertaken by local authorities are supervised by the County Engineers and the standard of supervision is satisfactory.

"In the western counties, however, where the allocations are very large as compared with expenditure on normal improvement work, the seasonal character of the employment schemes programme coupled with the uncertainty as to the probable extent of the allocations in future years has been detrimental to the establishment of adequate trained staffs for controlling the works. It has been necessary to rely to too great an extent on temporary engineering staffs, who in the majority of cases have insufficient experience of the work to be done.

Minor Employment Schemes were administered directly by the MES Office but they were supervised by county engineers acting as agents - instructors for that Office, on a fee basis. The SESO, however, had no control

over the assistants employed by county engineers. Though the schemes were simple and scarcely required as much supervision as ordinary work, special difficulties were encountered in supervision. The great bulk of the schemes fell in a few Western Counties; the schemes were numerous (in Mayo and Donegal in 1945-46, 306 and 258) and were far apart, often in inaccessible places and were carried out in winter time. We are not surprised to know that the quality of the work was not high in many areas and that the county engineers and their assistants expressed "the greatest reluctance" to overlooking SESO schemes on the grounds that they could not give them proper attention and do their own work as well.

From the way we look at things now-a-days, it seems incredible that rotation could ever have been contemplated, still less actually used. The idea was to divide the available work over most unemployed persons. The most needy, i. e. those with most dependents received more wages a week than the less needy: we believe that these wages were determined by adding 30% to what would have been the UA rate and the number of days work gauged accordingly! It is stated that for men on the higher UA rates in Dublin CB the excess of wages over allowances while idle varies from 24s. to 33s a week. Naturally:-

"the arrangement appears to give rise to dissatisfaction amongst the workers: it differentiates the work from normal work, and gives the impression that in reality it is relief work and merely a substitute ... for unemployment assistance. This attitude appears to be shared by gangers also."

It was, of course, found that frequent changes in workers led to inefficiency: "workers spend the first few weeks of their spell getting hardened and trained into the work and by the time they have become really useful

they have to make way for a fresh gang". It is stated that the presence in the gangs of an undue proportion of inferior workers has a detrimental effect on the better class workers since the tendency is for the inferior workers to set the pace. On the other hand, the 1945-46 committee gives its opinion that:-

"For men who are already fully able - bodied, and accustomed to heavy manual work, short spells on work on employment schemes should be beneficial and should tend to maintain fitness between spells of normal employment".

So far in this part II we have attempted to give only an idea of the content of the very voluminous 1945-46 report, half of which consists of largely statistical appendices which we have not drawn on at all: for instance Appendix I is a very useful historical account of employment schemes since 1922. Our ideas on what has to be done to mitigate the national scourge of unemployment have broadened but, if recourse has to be had again to employment schemes, the closest regard must be paid to the whole content of the 1945-46 report, particularly to its very frank indications of what not to do.

Recommendations

↓
From what has gone before, most of the recommendations of the 1945-46 committee are to be expected

- I Authorities should have free selection of best labour
- II Rotation to be discontinued as regards number of days a week and full weeks' work always given
- III Number of weeks' work: (a) by contract 10, (b) direct labour (i) Dublin CB . 10, (ii) other urban 8, (iii) rural 6. Panel change not to be operated where it would result in employing unsatisfactory labour
- IV In Dublin CB all works should be by the contract method
- V In other areas, direct labour to be used only in so far as this is efficient, otherwise contract to be used.
- VI Departments concerned should look again at methods in areas where MES execution by county engineers is not satisfactory.
- VII A small committee from SESO and D/LG & PH to be set up [to supervise, in great specified detail, employment schemes]
- VIII Arrangements should be made for local authorities to prepare programmes of suitable employment schemes two or three years in advance.

In the following note on the effects of the recommendation the committee states that employment schemes would not be used to relieve distress in the case of unsuitable people; family responsibilities will not entail special preference; the longer a man is unemployed the less his chance of employment on employment schemes; the average cost of giving a UA applicant work will be considerably increased; the total number of UA applicants will be considerably reduced; the value of employment schemes as a test of willingness to work will be reduced; full-time employment for an extended period will make employment schemes more attractive.

The committee recognises that some of these effects may be considered undesirable and proceeds to justify at some length its attitude.

The recommendations would involve the elimination of that twilight work zone, necessarily inefficient, entitled relief work, leaving

only people genuinely at work and people unemployed. Putting UA applicants on contract work seems little different from subsidising wages. To repeat, the issues that troubled the 1945-46 committee are by no means irrelevant today, and we shall take them up again in our final chapter.

The reactions of the government of the day to the foregoing recommendations is interesting:-

- I "In lieu of recommendation I it was decided that the employing authorities should have a free selection of labour from men in receipt of unemployment assistance to be recruited through the Employment Exchanges". [Our gloss: we do not understand how this decision makes any change in the recommendation unless special significance attaches to dropping the word "best"].
- II Approved.
- III Approved, subject to some increase in number of weeks and arrangements being made to avoid re-employment of men following completion of spells of employment.
- IV, V and VI approved.
- VII Approved, subject to Department of Industry and Commerce being represented.
- VIII Approved.

No reference has so far been made to Part V of the report. This deals with "other relevant matters" and has such heads as UA applicants not capable of heavy manual work; voluntary bodies; casual employment; Farm Improvements Scheme; suggested preference for works in congested areas; farm improvement works in non-congested areas; living accommodation for farm workers; influx to large urban centres of country labour; extension of qualifying period for non-local UA applicants in urban areas; increased use of Employment Exchanges for recruitment of unskilled labour by public works contractors; transport of labour; use of construction camps; unemployment of young persons; construction corps; labour camps for young men; preference for young men on employment schemes; subsidisation of wages of inferior workers.

This long citation has the deliberate purpose of indicating the scope and depth of the 1945-46 committee's inquiries. Of course the citation does not in all cases imply approval on the part of the committee, and we, in the changed circumstances of today, do not agree with all the committee's recommendations. We can with confidence state that almost every issue pertaining to employment schemes receives mention and sensible and informed discussion. The treatment indeed brings the writers near to confident recommendations in regard to the present-day unemployment problem.

The government's decision was to refer all these comments for study by the relevant departments.

Later Official Views

Following is a summary, dated 1969, of comments by the Department of Local Government on a short memorandum of proposals by the Department of Social Welfare. The views of D.L.G. are of crucial importance since local government officers must be involved in any practicable scheme of public works.

1. "The history of SESO.... is a record of the failure of the plan to substitute work for 'dole'". Reference is made to the finding of the 1945-56 committee that the "relief" aspect of earlier schemes led to "serious loss of efficiency", that in future they should be operated as normal works and that the rotational principle should be discontinued. It is remarked that employment schemes in towns, because of financial deficiency, have been reduced to a "skeleton" programme.

It is possible that schemes with more "initiative and imagination" could have been found in post-war years if they were operated away from Department of Finance control. The experience of all countries has been that with public works "efficiency" and "relief" are inconsistent.

The interesting remark is made incidentally that in 1846 (the first year of the Famine) the Board of Works spent about £250,000 a week on relief works, employing about half-a-million men.

2. In January 1967, number of men in what is described as "the last SESO Census" was 30,000 of whom 21,500 were in rural areas. The bulk of the latter were concentrated in "a limited number of E.D.'s along the western seaboard. The writer does not believe that suitable works will be available here on an adequate scale" [our comment: in all the official documents available to us the point is made that the distributions of available jobs and of UA manpower are very different, creating problems of accommodation and transport.]
3. Outside the CB's and some of the other larger towns, employment schemes are (in 1969) what is described as "largely of a skeleton nature". The Local Improvement Scheme does not operate primarily as an employment scheme in which "the skeleton of suitable and necessary works" (emphasis in memorandum) was unduly restricted.
4. "There is a large volume of work on accommodation on bog roads and minor drainage works of the type carried out under the Local Improvements Scheme" but these are mainly in areas in which there are few UA. Minor drainage schemes should not be undertaken before larger schemes on clearance of outfalls or of whole catchments under the Arterial Drainage Act.

DLG has encouraged local authorities to submit amenity schemes as distinct from road works to absorb employment scheme grants but they have not put up many such schemes. Large grants expended in public parks in Dublin have created heavy subsequent liability for maintenance.

5. "It is self-evident that no relief works programme will effectively reduce the number of unemployed unless it is supplementary to existing public works programmes".

It is doubtful if local authorities could undertake supplemental employment programmes without "expanding their administration and technical organisation". Already there are complaints about the Local Improvements Scheme, "which is on a much smaller scale," from the already over-crowded staff".

6. "In the past employment schemes have been used as a test of the genuineness of a UA applicants willingness to work, and men who have refused employment have been knocked off UA.
7. [DSW apparently submitted a scheme for relief on which DLG commented adversely, on the following grounds, amongst others]:- (i) increased work on local authority staffs; (ii) staffs would have two lists of schemes, classified by small areas and "vct them for utility;" (iii) prepare specification, estimates and order of priority; (iv) organise carrying out of works by "workers who would have little interest in or incentive..." There would result "all the defects of inefficiency and wasteful operation that were attributed to employment schemes in the past;" (v) the local authority would have to keep full records of UA men. General

conclusion by DLG commentator: "I cannot see any local authority willingly taking on such a responsibility."

It is stated that SESO found transportation of workers "impracticable and completely uneconomic" except when works were of long duration requiring large gangs.

8. This paragraph deals with costs. It is stated that on larger public works unskilled labour content can run as low as 25%. SESO figures show that in 1967-68 cost per man per week is £11-15 in small towns, £20 in larger urbans and £30 in Dublin: The Dublin figures relate to large scale road works carried out by modern engineering methods.

We do not need to know what the DSW proposals were which provoked such adverse comment in DLG. The main point is a very real one, namely the obviously limited extent to which staffs of local authorities can be involved. To make a serious impact on the problem it may be necessary to create a completely new organisation with its own administration and chain of control.

III The Existing Situation

The aims of demand management in Ireland have been to promote a level of demand sufficient to achieve full employment and reasonably high living standards, at the same time controlling the tendencies towards excessive price increases and balance of payments deficits. Both fiscal and monetary policy have tended towards expansionary goals. The aim of full employment is paramount and the Government has concentrated on the aim of achieving full employment. The Industrial Development Authority (IDA) was given the task of encouraging the expansion of existing industry and promoting new home and overseas sponsored projects.

The stated IDA aim is to provide highly skilled employment predominantly for men. They strive to provide job opportunities by creating "better opportunities for existing workers, jobs for redundant workers, career opportunities for young persons and for returning emigrants".

As part of its function to promote regional industrialisation, the IDA has worked in the Limerick region with the Shannon Free Airport Development Company (SFADCo). The latter company was established as a state sponsored body in 1959 with the objective of ensuring the growth and development of Shannon Free Airport. The combined activities of the two organisations, IDA and SFADCo include the construction of industrial estates, the provision of sites for factories and of support services to assist industries in the western region. They also assist firms with manpower problems such as the recruitment and training of workers and industrial relations. The numbers of workers employed in agriculture have dropped significantly during the recent past thereby exacerbating the problems of job opportunity creation even to the extent to keeping up with the shift. There has been an emphasis also on creating jobs requiring skilled workers, which has been instrumental in increasing the establishment of capital intensive industry. The policy of increasing skills requires an extra effort when full employment is also an objective. The following table taken from the IDA Annual Report, April-December 1974 shows the total number of job approvals, grant commitments and fixed asset investments. Unfortunately, the job approvals

section is a target which in times of recession particularly has been difficult to realise. -83-

The total number of job approvals together with associated grant commitments and fixed asset investment in the period 1970-1974 is shown below:

Financial year	Projected new jobs at full production	IDA financial commitment £m	Fixed Asset investment £m
1970-71	12,487	30.3	94.7
1971-72	8,734	18.7	60.4
1972-73	14,139	35.0	135.4
1973-74	23,316	75.4	302.8
9 mths. to December 1974	19,818	65.9	287.2
Total 1970-74	78,494	225.3	880.5

Source: IDA Annual Report, April-December 1974, Review 1970-1974. Industrial Development Authority, Dublin, July 1975.

It is difficult to distinguish completely between training and education but broadly speaking, education is the responsibility of the Department of Education; agricultural education and training the responsibility of the Department of Agriculture and industrial training the responsibility of the Department of Labour.

The Industrial Training Authority, (AnCO) was established to improve and encourage training at all levels in industrial and commercial activities. Its main function is the promotion within industry of training through levy and grant schemes; priority is given to the establishment of the training function within firms. AnCO also provided facilities for the training of unemployed and redundant workers, the initial training of apprentices and updating of the existing skills of workers.

The AnCO training centres have the social objective of giving workers an opportunity to acquire skills for which there are job opportunities. There are courses for apprentices and for adults, who may receive training allowances depending on age and domestic

responsibilities; allowances are related to unemployment benefit. The courses provided are mainly in the engineering and metal trades for which there is a demand either locally or within the State. Special training facilities are also provided in an area where redundancy occurs.

The employment exchanges performed originally the role of a placement service, compiling of the Live Register, payment of social welfare benefits and assistance. Payment of benefits was given priority thereby giving placement a lower priority. The Government recognised this difficulty of combining payment of benefits with placement functions and established the National Manpower Service in 1971 with responsibility for (i) placing the unemployed in employment and meeting employers' demands for labour; (ii) the provision of regular information on the numbers and characteristics of the unemployed to the Central Statistics Office for the compilation of the Live Register; (iii) the provision of vocational guidance on employment training and educational opportunities for adult workers; (iv) the provision of careers information. The NMS is organised on a regional basis with a number of placement officers in each region under the control of a Regional Director.

The majority of job seekers registering with the NMS are in the semi-skilled and unskilled categories. The following table shows the numbers of vacancies, job-seekers and unfilled vacancies during 1975:

	<u>Men</u>	<u>Women</u>	<u>Total</u>
Number of <u>vacancies notified</u> during 1975	14,389	7,726	22,115
Number of <u>vacancies filled</u> during 1975	9,771	5,252	15,023
Total <u>job seekers registered</u> at 31 December 1975	20,999	7,819	28,818
Total <u>unfilled vacancies</u> registered at 31 December 1975	681	233	914

Source: National Manpower Service Report, 1975.

When the enormity of the problems of unemployment is considered, it is difficult to understand the placing of an embargo on the expansion of the NMS during 1976 as occurred with the imposition of financial restraints on Government departments' activities. The contrary would appear to be sensible in the case of allocation of funds to the NMS.

The NMS is responsible also for the implementation of the EEC regulations regarding mobility of labour within member states. This does not appear so far to have developed, as the total number of vacancies specially notified at the request of individual firms in EEC countries in 1957 was 140, while the number reported as interested in such vacancies was 3.

The Department of Labour is responsible for the implementation of the Premium Employment Programme, the object of which is to encourage employers in manufacturing industry and agriculture to re-employ workers who have been made redundant as a result of the recession. The programme commenced in June 1975 for manufacturing industry and in August 1975 for agriculture. A premium of £12 a week up to 3 April 1976, and at the rate of £6 a week until the termination of the programme, is paid in respect of each additional eligible worker employed after 20 June 1975. Up to 5 March 1976, payment of 27, 342 premiums to 203 employers amounting to £328, 100 has been made.

The Department of Social Welfare administers the Unemployment Insurance Acts and the Unemployment Assistance Acts which provide for national exchequer support to alleviate hardship due to unemployment, and by means of unemployment benefit and unemployment assistance. Unemployment insurance applies to all employees aged 16 years and over regardless of the level of their earnings. To qualify for unemployment benefit, the claimant must be unemployed, capable of and available

for work, satisfy the contribution conditions and not be involved in a strike, be sacked for misconduct, have refused an offer of suitable employment, nor of training at an AnCO course if selected. Unemployment benefit is payable normally to people aged under 65, (in certain cases extended to age 67) for 65 weeks; when the benefit period expires, a further 13 paid contributions are necessary for re-qualification. Pay-related benefit may be paid with unemployment benefit; it applies to persons insured at the ordinary or agricultural rate of contributions on earnings up to a ceiling of £2,500 a year. Payment of pay-related benefit may continue for up to 63½ weeks provided the relevant flat rate benefit is also payable, and is calculated on the claimants' gross taxable earnings in the income-tax year preceding the pay-related benefit year. Recipients of unemployment benefit, wholly unemployed, may not receive the combined benefits of flat rate benefit, pay-related benefit and income tax rebate in excess of 85 per cent of average weekly earnings after deduction of income tax and employment contributions, in the tax year in which they became unemployed.

When unemployment benefit is not payable there may be eligibility for unemployment assistance provided that the unemployed person is aged between 18 and 67 years, has lived continuously in the State for at least six months at any time before claiming, is capable of, available for and genuinely seeking work and satisfies the means test. Women applicants have to satisfy other special contribution conditions.

Unemployment benefit is financed by approximately 40 per cent from the employee, 40 per cent from the employer and 20 per cent from general government revenue. Unemployment assistance is financed in full from government revenue.

Chapter 3: Experience with Employment Schemes in Other Countries

This chapter is in two parts, the first and longer based on ILO¹ data, relating to a number of particular countries and to general topics, the second, from OECD sources, relating to a number of countries' actions during the present emergency. While social and economic conditions in some of the countries studied are widely different from Ireland's, all have employment and underemployment problems, hence worthy of consideration for hints as to how to tackle the acute Irish problem.

I ILO Experience

Japan

This "basically descriptive monograph" was prepared in the ILO Branch Office in Tokio. It is emphasised that it is mainly intended to provide factual information and "not so much as to invite comment" on Japanese emergency employment schemes. We assume that this means an absence of critical comment or suggestion in the report.

Right from the start of the Meiji Restoration in 1868, the Japanese government had to carry out relief measures "by establishing new kinds of commerce and implementing land reclamation projects". We infer that the Japanese government has had longer experience than most other governments in coping with unemployment as an explicit problem.

After World War I the government introduced emergency employment measures including [and this is interesting] "one particular scheme for the educated unemployed" which continued to operate until 1930.

After 1945 unemployment on an unprecedented scale (complicated by the return of a "tremendous number" of expatriates) resulted in many relief works being set up within the framework of a "seriously damaged economy". A "remnant" of these works remain (in October 1975).

¹ These are copyright. The permission of ILO will be needed for publication.

The switch from coal to petrolcum in the 1960s was the first case where an emergency job creation scheme had to be launched on a large scale. The report is confined to two cases in the post war period (1) employment relief works immediately after World War II and (2) the special emergency employment scheme for displaced coalminers. Here we confine our attention to the former. Anything similar to the post-war Japanese coal mining experience is unlikely in Ireland in future.

[We are minded to paraphrase Samuel Johnson that emergency concentrates the governmental mind wonderfully. Part of Ireland's trouble in dealing with its economic problems has been that we have rarely been "up against it", compared with some other countries at particular times.]

Early in 1946 the Japanese government evolved a "Policy Outline for Emergency Employment Measures" The policy line involved: (1) construction (2) return to native farm lands, (3) training in industry and skills therefor, (4) infrastructure, including transport and commerce, (5) research, (6) programme for intellectuals, (7) vocational training and "side jobs".

At the same time certain principles of application were set down as regards the measures: (1) these were not "relief per se" but were designed for economic development, (2) vocational guidance and training, (3) public employment to be "developed and consolidated", (4) minimum expenditure, maximum employment.

"All government agencies concerned ... were integrated into a coherent system; manpower projections ... were prepared; ... job placement and range of jobs to be offered was expanded..."

The programme for the educated unemployed comprised, technical guidance for increasing rice production and public health guidance.

Some persons got permanent work in government. In 1949 efforts to create jobs for intellectuals came to a standstill when, on the instruction of the Occupying Authority, 165,000 persons were summarily dismissed from government offices.

Simple public works projects, devised "primarily for public utility ... rather than ... for the unemployed", comprised relatively easy jobs such as development of land and green zones, scrap iron collection, water supply and drainage cleaning.

Vocational training was considered part of the programme against unemployment. By the end of March 1947 there were over 500 training centres. Sheltered workshops for underprivileged persons for on-the-job training were set up, to the number of 2,000 with 138,000 persons. Many of these ultimately worked in their own homes.

In May 1946 the Economic Stabilisation Board (ESB) was established to carry out the public construction work programme. Local implementation boards were instituted for direct administration by the local authorities.

Subcontracting instead of direct undertaking led to abuses such as low (or no) wages and other unfavourable working conditions. As a result, ESB drew up detailed rules for subcontractors and at the same time instructed central and local authorities to use direct, in preference to contract, labour whenever possible. [Such an instruction might not be applicable in Ireland where the "abuses" specified would be inconceivable as regards wages.]

In an ever-increasing unemployment situation, in 1949 the government introduced by law a new programme of unemployment relief work projects, separate from existing projects, introducing a special scheme of unemployment insurance and vocational training. The new projects were to

be designed for unemployment relief and the size, period and type of each project was to depend on the unemployment situation in the area for which it was planned. Those employed were to be hired through the Public Employment Security Office (PESO, presumably analogous to the Irish employment exchanges) which had to inspect every day the workplaces and "provide workers with counselling in order to place them promptly in permanent employment".

The type of work included civil engineering for parks, playgrounds and green zones, roads, waterways and simple clerical jobs. Works were not to be sublet to any contractor. They were limited as a rule to urban areas. Draft programmes were to be prepared by the prefectural or city government and submitted to the central ministry. The placement officer was expected to hold consultation or counselling twice a month with those employed on work projects.

As to finance, state subsidies were to cover labour cost and administration, local government paying for raw material and equipment. As the work shifted later from light to heavier, the government introduced state subsidies for raw material (a fixed amount per worker).

Rotation was introduced, whereby the average person got 16 days work a month. The Ministry of Labour problems were how to improve the budgetary allocation so as to increase the number of days worked per month and to introduce a strict control to "maintain work discipline". These, we are told, were the central issues "when the Korean War brought about a favourable turn to the economy as a whole".

[The emphasis on "relief" and the introduction of rotation would probably have been regarded by the Irish 1945-46 committee (i. e. of about the same time) as retrograde in their application to Ireland. A good feature, from any point of view, was the obvious concern for the individual relief worker, through counselling etc.]

Unemployment worsened in late 1953 and in August 1954 the government decided (1) to increase the number of public construction works, (2) to give priority to areas (usually urban) of serious unemployment, (3) smoothen problems of transportation, (4) provide vocational training and guidance. It is remarked that "the majority of those hired ... were inclined to remain continuously employed therein, which led to the aging of the work force". Furthermore, the selection of projects became more difficult and low work efficiency was complained of.

Since 1959 the Japanese economy entered on a period of rapid growth but the number of workers in the public relief schemes increased, to about 350,000 at the end of 1960. The Employment Deliberation Council, an advisory body, pointed out that employment relief works had lost its original meaning of supporting the unemployed until their re-employment in a normal job. In 1961 the government introduced measures for their "vocational reconversion" and a scheme of bounties to promote their normal employment.

Of considerable interest is the treatment of middle - and old-age workers' on relief work. These workers were encouraged to take vocational guidance and counselling, public vocational and "workshop adaptation" training, all of which were made available by the PESO. As a result, it is stated, they began to decrease steadily in number and only those which failed to be absorbed in the private sector remained on relief work.

Gradually the number on unemployment relief works decreased from 326,000 in 1963 to 217,000 in 1969. Those who remained had been many years on this work and naturally were older than average; duration on relief work averaged 11 years and average age was 55 and more than half were female.

As a statistical summary from 1955 to 1973, the number of workers on unemployment relief works decreased from 220,000 to 102,000 and average number of days work a month increased slightly, from 21 to 22.

Later many improvements were introduced into relief works, in regard to safety and health, further employment promotion for the older workers, including subsidies for their employment in normal jobs.

One important later principle emerged:-

"even when relief works are needed to provide temporary employment on an ad hoc basis they should be operated in the private sector, rather than in the form of direct employment by the central or local government".

[This principle marks a clear break-away from an earlier principle. As to "relief works", it is obvious that these are regarded as an undesirable necessity to be faded away in time. So, there is less need to endow the works with dignity, and the epithet "relief" remains.]

There are similarities and differences between Japanese and Irish experience. We know far more about actual experience in Ireland than in Japan since the ILO report which we have used deals only with laws and government decisions, in effect, therefore, with intentions. As a result, comparison may be unfavourable to Ireland.

Experience is very similar as to kind of works contemplated, in the oscillation from time to time in favouring direct or contract labour. In theory there has been greater emphasis on vocational guidance, training and

general care for the individual unemployed person in Japan than in Ireland but, to repeat, one does not know what happened in practice. In making comparisons one must bear in mind relative magnitudes. The few figures we mention for those recently on relief work in Japan are of the same order of magnitude as the present day registered unemployed in Ireland, yet Japan's population is 35 times that of Ireland. Japan can clearly afford expenditure on every aspect of relief which could not be contemplated in Ireland.

Northeast Brazil

This report was prepared by Emile Costa.

"The 'Frentes de Trabalho' (Work Fronts) in Northeast Brazil are intended to provide rural populations who are wholly unemployed as a result of drought with remunerated work in labour-intensive public work programmes. The Superintendent for the Development of the Northeast (SUDENE) is now responsible for organising these programmes ..."

A severe drought in 1958, despite large expenditure on labour intensive projects, did not prevent a massive migration towards the Southeast cities.

A Working Group specially convened reported that drought was not the only cause of the economic weakness; much more was required than drought relief or prevention. These weaknesses comprised low participation rate of the labour force, low level of capitalisation, low growth rate of per capita income, and unfavourable terms of trade.

[In Ireland we do not suffer from drought (!) but there are large regions to which the other conditions specified apply, so that consideration of this Brazilian experience may be useful and relevant.]

The strategy proposed by the Working Group has few surprises: industrial investment infrastructure, food crops for urban areas presumably mainly in the region, productivity, irrigation in Ireland we might substitute drainage and flood relief], the incorporation in the region of a humid hinterland, education and training. "The SUDENE was created in 1959 to co-ordinate and reshape government development programmes in the Northeast."

[The emphasis on emergency due to drought makes the report, while interesting to read, less applicable to conditions likely to arise in Ireland.] We note that (cf. the recommendation of the Working Group):-

"The question of setting up a more permanent scheme both to absorb the surplus labour outside drought periods and to bring about a better infrastructure to hold out against droughts has been discussed ..."

An integrated pilot programme of "preventive works and services against droughts in the most critical areas of the semi-arid zone" is to be started in August 1974.

The report's conclusions have points for possible Irish guidance. The region has an economically active population of about 7½ million and at the peak workers actually at work numbered 400,000. The rapid mobilization of such a large number is justly praised. The author states the reasons to be (1) advance programming including number of workers, (2) permanent knowledgeable administrative structure, (3) management by technical agencies with SUDENE's auditing and control, (4) SUDENE's close involvement, (5) "above all", flexibility in financing. Labourers enlisted are the most needy, to whom generally the labour laws apply. There are health problems natural from crowded temporary camps in remote areas and other social problems that "the granting of substantial food rations ... should help clear up in the future." The major weakness, low labour productivity, is partly due to the emergency character of the projects in a hard situation. The interesting observation, of obviously wider application, is made that

"high productivity can only be expected from committed labour, not from workers exceptionally involved in a short-term scheme" from which the corollary that a more permanent scheme utilizing the underemployed in non-exceptional circumstances will bring about an improvement in the quality of work.

Maharashtra State of India

The author is Sunil Guha. The report is prefaced by a useful account of the ILO World Employment Programme's actions and policies. The general intention is, of course, to assist countries in promoting employment and improving income distribution. There is "an action-oriented research programme" covering nine major areas all related to employment, including technology, income distribution, population, education and training, rural employment, urbanisation, emergency schemes, migration, international division of labour. [We remark that all five reports we notice here are generally titled "Emergency Employment Schemes Programme" but fortunately all reports in greater or lesser degree deal with all, and not merely emergency, relief schemes. Anyway, action deemed appropriate for emergency will usually be relevant for all unemployment.]

In the WEP stress is laid on the undertaking of country-based case studies, the aim being to make practical suggestions.

Schemes usually take the form of labour-intensive public works. Many countries use these methods but, with the exception of a few, "public works schemes generally suffered from organisational infirmities, planning inadequacies and poor administrative arrangements."

Like the Brazil report, the India report deals with drought relief, in fact with two drought-prone districts in the State. The specific programme is the Drought-Prone Areas Programme (DPAP), which becomes

relevant for us for the fact that DPAP was merely a development of the earlier Rural Works Programme (RWP).

[It could even be argued that the magnitude of the drought areas problem in India makes it a world problem.] It is stated that they contain a population of 66 million and account for one-third of the net sown area. The problems are, of course, underemployment and low incomes compared with irrigated and high rainfall areas. The discrepancy is accentuated by advances in technology, more suited to irrigated areas. Relief work in severe drought is designed to tide over the immediate emergency and generally does nothing to mitigate the severity of future droughts. Experts advocated surface irrigation schemes, such as collection and storage of rain water in tanks, when the Fourth Five-Year Plan was being considered.

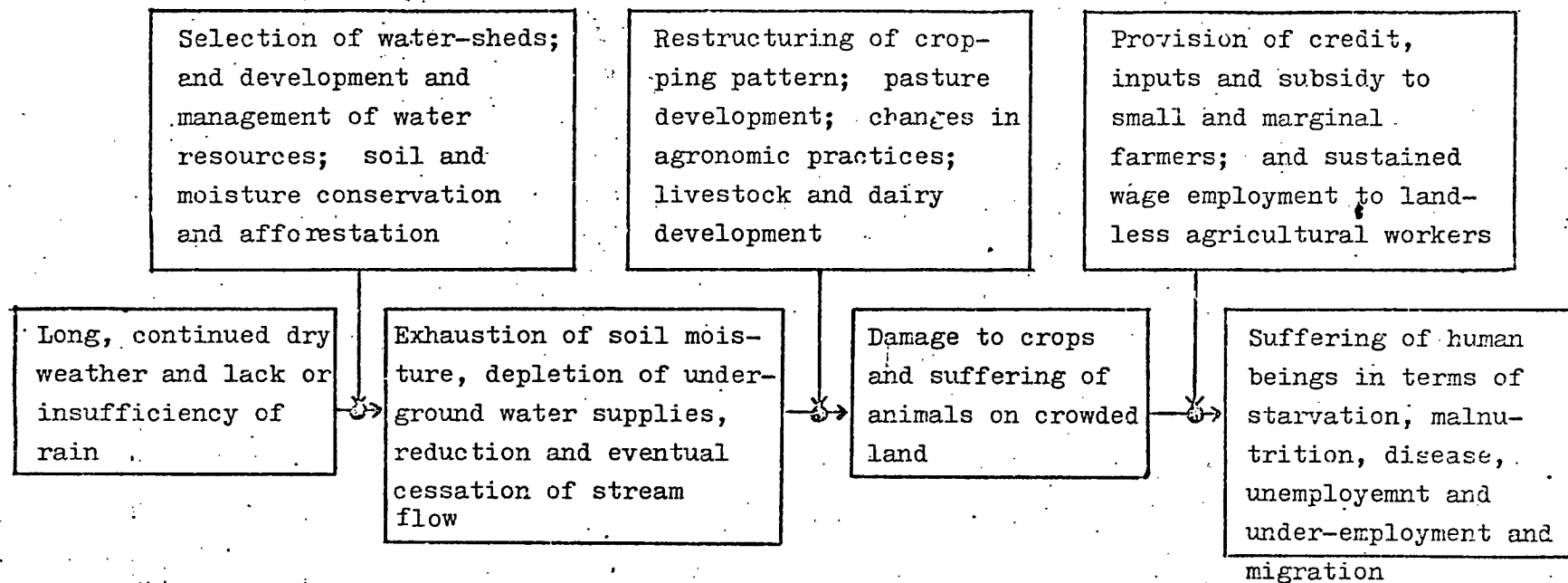
In 1970 the government formulated a Rural Workers Programme for drought-affected areas, entirely financed by the central government. Over the four-year period 1970-74 the State's share was \$ 14m, mostly spent on "minor irrigation infrastructures". Each \$ 1.3m was expected to generate employment for 25-30,000. Many of the thirteen states in the whole programme on road construction. The author states:-

"The RWP suffered from the ad hoc formulation of schemes, lack of long-term systematic effort to integrate those schemes and determine the order of their priorities ..."

As a result of these defects the central government, with the Fifth Plan (1974-79) decided to shift the emphasis towards ecologically integrated rural development, financing to be equally divided between central and state governments. A feature would be co-ordination with other departmental programmes. There is mention of strengthening technical agencies.

[Though drought is not Ireland's problem, the type of diagram herew reproduced from the report, might be adapted to Irish problems

Diagram - DPAP multi-pronged planning intervention strategy
to cope with drought-induced chain of causation
in chronically drought-affected areas



NB: The blocks below show the chain of causation which drought starts. The blocks above represent the action components. The points ⊗ show where the planning intervention must occur to thwart the next chain of causation.

with different rubrics.]

There is a very detailed description of organisation, planning and administration at the different levels, at the centre, state, district and on the job with emphasis on management of credit, training of DPAP functionaries, field studies, performance reviews. [We must frankly confess to an impression of over-elaboration, certainly unsuited to Ireland. One would very much like to know how this administrative machine works in practice.]

Planning procedures include survey of land resources and preparation of capability maps, soil conservation works, forest and pasture development, integrated credit plans.

There is much emphasis on the training of DPAP functionaries. From our studies of Irish procedures in the past, we are convinced that the lack of success attending these was due in part to foisting control on to already over-burdened local officials. Programmes on an adequate scale should have their own control systems with properly trained officers. In organising these training programmes, Indian procedures will be worthy of study.

As to organisation (on which we have remarked above) the report comments:-

"The range and number of DPAP components are so large and varied and so many agencies are involved in organisation, planning and management that its successful implementation will hinge greatly on precise location of responsibilities ... the DPAP organisational set up, though appearing to be basically sound, might encounter difficulties ..."

While generally approving most recent plans the report has a number of criticisms: (1) too few technicians in committees at various levels, (2) imprecision about authority of Executive Director over district technical

staff, (3) "failure to take advantage of massive work content ... in promoting local rural workers' organisations for ... deployment of workers on the infrastructural works..."

The same author (Suzil Gulia) has another paper which may have more relevance to Irish conditions than that already summarized which deals rather particularly with the drought problem. This second paper deals with the Rural Employment Guarantee Scheme as it applies to the Maharashtra State of India. This scheme

"seeks to tackle the problem of poverty of those persons in the labour force who have negligible or no assets in terms of land, viz., small and marginal farmers and landless agricultural workers who have the physical ability to render manual labour ..."

In the first instance the scheme applied only to rural areas. Work is unskilled and workers have no choice as to type or area of work including distance to be travelled. The work was to "result in the creation of durable productive assets." In practice these stringent conditions were somewhat relaxed. Many details are given about the maintenance of registers, selection of works ("priority is to be given to the completion of some 15,000 incomplete scarcity works ..."), implementation (to be "departmental" and not by contract), wages (fixed so as not to divert local labour). Works requiring "larger, components" of skilled labour or materials are not normally permitted, except for the "completion" referred to above. Work is to be of a type which could be completed in two seasons.

A feature is the establishment of a "performance audit squad" of three persons, responsible for checking of works in regard to number of squad workers, output, quality of work, deployment of labour etc. The squad has

to report continuously to a collector who reports to the government. Irregularities are punished "immediately", by suspension of the defaulting officer.

Guha makes a close analysis of the working of the REGS in the two districts . He finds it operating smoothly on several counts: precise planning, emphasis on completion of spill-over works, financial simplification, technical agencies' acceptance of the District Collector's authority, and others. He has misgivings about what may happen when the REGS magnitude increases, because of the present "make-shift arrangements", and the burden of REGS and other schemes on the district engineering organisation[- here an echo of Irish experience!]

In his conclusion Guha is emphatic in his praise of REGS which provides employment for over 75,000 unskilled workers in his two districts almost all round the year. He makes a close analysis of existing mainly administrative arrangements and makes suggestions for their improvement.

[Our study of Guha's two papers has convinced us of the importance of administration and sensible chains of control for the success of these enterprises. We are also left with the impression of the importance of involvement of local personalities (Guha's "non-officials") in the committee and advisory (if not, indeed, in the decision) process.]

USA

Experience in USA is excellently described and critically examined in an article by Diane Werneke of the ILO designed for publication in the ILR. This article is itself tightly composed and, to a certain extent, summarises very many sources of information (with full references). Our treatment here as "a summary of a summary" is necessarily unsatisfactory. We conceive our function as merely to supply a few notes to give readers some idea of the contents of the ILR article which, being readily available, should be studied by persons interested.

[The USA case is particularly interesting because, like Ireland, it has had high unemployment rates even in relatively good times. One would assume that ameliorative action was not constrained for lack of means.]

The author states that there are three types of manpower policies (1) those designed to make the labour market function more efficiently (e.g. placement, counselling, mobility), (2) altering labour characteristics by training etc, (3) creating employment. The article deals only with (2) and (3), especially (3). Earlier programmes were centrally administered by the federal government. More recently, under the Comprehensive Employment and Training Act (CETA) of 1973, programmes were decentralised, to involve local interest and knowledge.

An "activist" policy began in the 1960s when the general unemployment rate was 6 per cent, regarded as *unacceptably high*. Amongst blacks alone it was 11 per cent and for young persons the rate was 15 per cent. Many workers, discouraged, dropped out of the labour force so that the overall unemployment rate may be an understatement. The remedy then adopted was fiscal, instituted to stimulate aggregate demand. Also specific manpower policies were adopted, namely the Manpower Development and Training Act (MDTA)

and the Economic Opportunities Act (EOA).

In the late sixties unemployment fell to 4 per cent with rising demand for labour. The emphasis now was on training to increase productivity and relieve bottlenecks. With the 1970 recession, emphasis shifted to the cyclical problems of unemployment simultaneous with prices; both rising at about 6 per cent. By 1975, more than 8 million persons were seeking work and 1.2 million had dropped out of the labour force: the unemployment rates were 14 per cent for all blacks, 35½ per cent for black teenagers.

Under MDTA and EOA the largest programme was the Neighbourhood Youth Corps (NYC) for the 16-21 age group from low-income families. The programme funded by the federal government dealt with problems of young people, lack of experience, inadequate education etc. Jobs were usually in local community services. Three components were in-school, summer and out-of-school, all designed to induce young persons to remain in, or to return to, school. About 5.8 million young people participated in the period 1964-1974.

Operation Mainstream (OM) is described as the adult counterpart of NYC. It operated mainly in rural areas providing jobs (mainly for heads of families) in parks, schools, roads etc. Numbers engaged were about 20,000-30,000 a year. Little attention was given to skill training. Wages were slightly above the legal minimum.

A programme termed New Careers (NC) was designed to cope with professional shortages and to provide opportunities for the disadvantaged by creating "subprofessional" employment in education, day care, clerical or health. Subsidies were offered to public employers to hire and train disadvantaged workers to enable them to move to better jobs. The programme was designed for those with a higher level of education or experience. Peak enrolment was 66,000 in 1972.

Programmes mentioned so far were aimed mainly at public authorities. In 1968 the National Alliance of Businessmen set up Job Opportunities in the Business Sector (with the happy conjunction of initials of JOBS), for hiring, training and upgrading the hard core unemployed. The scheme was administered by the National Alliance and funded by the Department of Labour. Many firms undertook hiring and training on a voluntary basis, i. e. not claiming a government subsidy to which they were entitled.

There were many other job creation programmes, centrally administered, funded and initiated. The characteristics changed with the Emergency Employment Act of 1971 which created the Public Employment Program (PEP) with two main features (i) it was counter-cyclical and (ii) decentralised. As counter-cyclical, the programme was not confined to the underprivileged. Local authorities were given much flexibility in planning. Federal funds were provided for localities when the national unemployment rate equalled or exceeded 4.5 per cent for three consecutive months. The scheme was strictly emergency: PEP employees were expected to move to permanent jobs as business conditions improved. During the programme's two year duration 340,000 people were employed in public service jobs and an additional 317,000 summer workers were hired.

CETA of 1973 attempted to consolidate and decentralise the some 10,000 projects independently aimed at similar problems. CETA made funds available where the unemployment rate was 6.5 per cent or more for three months, and cut off when the rate went below 6.5; 90 per cent of federal funds went to wages and employment benefits. Special attention was given to safeguarding the scheme from its being merely a device for substituting federal for state or local funds by rehiring laid-off employees. Initially under CETA 105,000 man years of jobs were created. For 1975 about 325,000 jobs were provided. [It is a gloomy fact though the article does not describe it as such]

that the programme could potentially absorb only 5 per cent of the 7 million unemployed.

Evaluation



The authors mention a number of methods of evaluation including cost-benefit, cost per job created compared with costs of other economic policies, reduction in number unemployed and for improvement in job status.

Evaluators in other countries will not be surprised to read "it is difficult (if not impossible) to get an unambitious picture of programme effectiveness".

[It is curious, in view of the small scale of US effort (as adjudged by sums expended in relation to US wealth), to read. "The over-all objective of US manpower policy... was to provide employment opportunities for those who needed them ...". a wording which seems to imply that it was intended for the whole corpus of the unemployed.]

The author cites many evaluative studies. One states that

"six factors tend to be critical in the performance of manpower programmes: (1) the ability of administrators and project leadership at the local level; (2) the degree of support from vested interest groups; (3) the quality of the clientele to be served; (4) the adequacy of the supportive services; (5) the economic climate; and (6) the timing and preparation for mounting effort."

The author states that under MDTA and EOA "the experience has been mixed."

As regards the NYC one judgment is that while the programme provided income and employment to poor youth "it appears to have done nothing more ... than the passage of time would have accomplished". School drop-out rates were apparently not improved.

"Thus, the performance of the programme [NYC]... did not measure up to its stated goals".

"While ostensibly JOBS fulfilled its programme of 500,000 trainees in the private sector in three years the turnover rate was described as "high", retention being only 47 per cent. The programme was successful when the economy was strong but in the recession of 1970 firms cancelled JOBS contracts. Even before, "Disadvantaged persons were employed, but they were often those who would have got jobs in the absence of the programme." "Thus, in many cases participants received little training above what was normally offered, and thus those firms which did apply for federal aid may have been over-paid". Another pregnant comment is "in many cases the training of supervisors.....may have been more important than the training of new recruits".

The author's judgement is that efforts in 1960 "show a mixed performance picture". Jobs were successfully created and filled but "failed to provide sufficient training" for upgrading.

PEP, the first counter-cyclical programme, according to most studies was clearly a success in creating as many jobs as possible "given the level of funding". The pace of implementation exceeded expectations. "More than 160,000 were created in the first year at an average annual cost of \$7,500 a job." Ninety-five per cent of federal funding went on wages and salaries. Some authoritative judgments quoted by the author are, "By any of the measures we chose.....PEP participants in general were better off after enrolling than they were before".

"State and local project agents generally hired the most qualified of the unemployed; those at a disadvantage in the labour market were similarly at a disadvantage in PEP".

" [PEP was a success] partly because it came along at the right time: a time when many experienced unemployed ... were seeking jobs".

It is stated that "the CETA programmes were successful in creating the maximum employment impact ... In the first six months nearly 310,000 jobs had been created ... " [The word "maximum" puzzles us: the 310,000 is but a small fraction of the number of unemployed.] It was even found that productivity under PEP was not less than in similar non-programme works.

The author gives several references to studies designed to examine whether state and local works which would be executed anyway were substituted by CETA programmes with effect of substitution of federal for state funding and replacement of regular employees. "The impact on employment of an additional federal government outlay of \$1 billion under four alternative policy assumptions was tested." The conclusion is very favourable to PEP and CETA: "Compared to public works projects ... public service employment projects create $2\frac{1}{2}$ - $3\frac{1}{2}$ times the total number of jobs that would be created utilising public works programmes for the same amount of federal expenditure". The author's last words on this fundamentally important displacement effect: "Thus, while public service employment programmes have been successful in generating employment, this performance must be qualified by actual and potential threats of a large displacement effect."

We think that the author's "Conclusions" merit quotation in full since they have lessons for all who aspire to job creation:-

"Job creation programmes in the US have been used to provide employment to workers who are unable to find employment when labour markets are functioning efficiently and to create temporary jobs in the public sector for unemployed yet often experienced workers in a recession. The logic of job creation programmes which put unemployed to work in useful jobs is difficult to dispute. However, the preceding sections have shown a less than successful performance in the case of the former programmes and while job creation as a countercyclical programme has been effective given the funds available, these programmes have problems that must be recognised as well. Thus, if job creation programmes are to be an effective strategy to accomplish national goals of providing employment opportunities for those who need them several critical issues must be resolved. First, there is the question of who is to be served. With the phasing out of the MDTA and EOA programmes, target groups were no longer clearly specified under CETA. Fundamentally, in the continuing context of high unemployment, the issue is whether job creation programmes should focus on human resource development by placing priority on the employment of those who experience chronic difficulty in competing for jobs or whether to help workers with an established labour market attachment who have been temporarily idled by weakening economic conditions. In fact, it is questionable how effectively countercyclical and human resource development objectives can be tied together in one programme. The disadvantaged will be helped most by job creation programmes which provide sustained help, training and upgrading efforts. However, these features may conflict with countercyclical aims or quickly providing the greatest number of jobs in an easily expandable public employment project at the least cost per job."

"Related to the issue of who the programmes should serve is the issue of training in job creation programmes. Those programmes discussed in this paper contained few training elements in spite of the goal of increasing the employability of programme participants. Experience with institution training programmes in the US in the sixties (not discussed in this paper) were disappointing because often suitable jobs were not available to programme enrollees upon completion of courses. And yet if job creation programmes are aimed at alleviating structural problems in the labour market, training and other supportive services must be supplied in greater doses than in the past, to increase the productivity and the employability and earnings."

"The inflationary impact of job creation programmes must also be considered given the present economic climate. In terms of their potential for generating wage pressures, the extent, skill, and composition and location of unemployment have to be considered. To the extent that job creation efforts are concentrated among groups with lesser skills, or in areas of high unemployment, or at a time of high over-all unemployment, job creation would almost certainly generate little or no inflationary pressures. In a strong recovery period, job creation programmes like PEP and those of CETA however, may contribute more to inflation. This suggests that countercyclical programmes must be able to phase-in and out relatively smoothly. Experience with PEP and CETA programmes have shown that they can be implemented quickly but the phase-out capacity has not yet been tested. To ensure flexibility, programme outputs should be able to be completed quickly and as many observers have noted, public

service jobs may be expanded quite easily whereas contracting may be more difficult. "

" The displacement effect inherent in job creation programmes also poses a serious problem. Substitution in public service job programmes could be reduced if jobs were explicitly separated from the regular operations of states and localities and if the programmes were specifically targeted. "

We have provided a lengthy summary of this valuable article on US experience because we think that article and the many references therein will be useful to administrators, central and local, of corresponding programmes which, we believe must be undertaken in Ireland. Indeed US experience echoes in several respects Irish difficulties in the past, dealt with summarily in Chapter 2, the importance of decentralisation involving local enthusiasm, failure (not to use too strong a word) of training effect towards mobility upward, the substitution effect nature of tasks, importance of local supervision, accounting and appraisal etc.

What is particularly valuable in this US experience is the very many ingenious schemes for measuring the success of a programme.

What must be discouraging, however, for those who believe in schemes of employment for the relief of unemployment is the small scale of the US effort. All the statistics quoted seem absurdly small in relation to the magnitude of the problem for this great and rich country - at one stage we quoted that the programmes affected only 5 per cent of the unemployed. We can only speculate as to the reasons for the low priority accorded to the problem in federal spending. Is it due to the US belief in the market economy and free enterprise, to which direct employment would appear to be alien? Or as not appealing to the possible clientele, the unemployed themselves, e.g. in not offering enough to make work preferable to paid leisure? The latter question is linked with the former. The number of unemployed induced to work will depend on the amount offered for such work. Or was the difficulty that of finding suitable new employment?

An ILO Manual

So far this chapter has been based entirely on information relating to particular countries, kindly supplied by the ILO. A short description will be given here of a Manual now available in typescript (but to be published shortly we hope) prepared by a group of economists and engineers in the Employment and Development Department of the ILO, based on the reflections on, and experiences of, labour-intensive public works programmes in developing countries over the past twenty years.¹

We shall recommend public works programmes on a vastly increased scale compared with the past for the relief of the unemployed and we consider that this Manual should be an indispensable guide to all directors of such programmes.

As an appendix to this chapter we reproduce the Table of Contents of the Manual which happily is very detailed and gives a good idea of the contents. We shall thereby regard ourselves as dispensed of the task of giving a summary of this very long work. We shall simply make some brief comments on part II of Chapter VI, which part is entitled "Economic Evaluation", mainly in relation to its cost-benefit (CB) aspects.

[Table 3.1]

[Table 3.2]

Emphasis is laid on the importance of uniform accounting of each project ex ante and ex post on the same basis by a trained evaluator.

In Table 3.1 the various components of costs and benefits at project level are shown from four viewpoints: the individual, the agency responsible for LPWPs, the government and the society (i.e. the nation). In Table 3.2 the components are classified in a somewhat different way.

¹ World Employment Programme "Guidelines for the Organisation of Special Labour-intensive Works Programmes" by Emile Costa, Sunil Guha, Ibrahim Hussain, Nguyen T. B. Thuy and Aime Fardet, International Labour Office,

Table 3.1 Components of Cost Benefit Calculation of a given LPWP Project

(a) Costs

<u>Individual</u>	<u>LPWP Agency</u>	<u>Government</u>	<u>Society</u>
1. Opportunity costs (net of taxes): - possible foregone employment - leisure - family care and works at home	1. Project outlays: - investment costs (land, capital, labour) - operation, maintenance and replacement costs. (OMR) - administrative costs (fixed and variable) - additional administrative costs (direct and indirect)	1. Cost of possible anti-inflationary policy (see Chapter VI Section II)	1. Opportunity costs (gross of taxes): - foregone use of land, capital, labour due to LPWP 2. Cost of training the unskilled workers.
2. Loss of transfer payments: - welfare support - unemployment insurance - other subsidies	2. Additional subsidies paid during LPWP: - food aid (if not granted by external donors).		
3. Extra costs due to the participation of LPWP: - transport expenses to work sites (if not paid by government) - increasing energy to work (if not paid by government) - additional clothes for work			

Table 3.1 continued.

(b) Benefits

<u>Individual</u>	<u>LPWP Agency</u>	<u>Government</u>	<u>Society</u>
<p>1. Increase in earnings due to LPWPs job (net of taxes).</p> <p>2. Additional fringe benefits due to increased income.</p> <p>3. Benefits derived from on-the-spot job training:</p> <ul style="list-style-type: none">- better opportunities to find qualified job in the future with the skill acquired in LPWP.- perspectives of increased wage rate due to the improvement of skill.- personal satisfaction of becoming a skilled worker.	<p>1. Direct benefits collected from LPWP project.</p> <p>2. Indirect benefits collected from LPWP project.</p>	<p>1. Savings in administrative expenses of transfer payment programmes:</p> <ul style="list-style-type: none">- unemployment administration- welfare programme- employment service operations. <p>2. Increase in taxes</p> <ul style="list-style-type: none">- direct taxes on: LPWP participants and those who benefit from the multiplier effect- secondary taxes on users of work done by LPWP.	<p>1. Social benefits derived from LPWP project:</p> <ul style="list-style-type: none">- additional output, resulting from an improvement in the country's infrastructure, from resources becoming more productive- reduction of poverty and unemployment- improved income distribution- reduction of social costs resulting from social turmoils control (crimes, political troubles)- improvement in the workers' skills. <p>2. Secondary benefits resulting from the multiplier effect.</p> <p>3. External benefits derived from LPWP project.</p>

Table 3.2 Classification of Cost and Benefit Components

a. <u>costs</u>	b. <u>benefits</u>
<p>1. Direct Costs</p> <p>(a) Programme outlays, or joint costs</p> <p>(i) Administrative costs</p> <ul style="list-style-type: none"> - variable costs, (labour and related) - fixed costs <p>(ii) Other administrative costs</p> <ul style="list-style-type: none"> - direct (recruitment, selection, placement) - indirect (expenditure incurred by other organisations) - cost of training <p>(iii) Investment costs:</p> <ul style="list-style-type: none"> - land - building - equipment (local, imported) <p>2. Social Costs (shadow pricing)</p>	<p>1. Direct benefits:</p> <ul style="list-style-type: none"> - from directly productive projects (land development, irrigation, drainage, forestry and fishery projects) - from non-directly productive projects (infrastructural projects: roads, trails, schools and other buildings) <p>2. Indirect benefits:</p> <ul style="list-style-type: none"> - "induced by" benefits i.e. increase in production of those supplying inputs to the LPWP - "stemming from" benefits i.e. increase in productive activities of those involved in processing or marketing commodities produced as a result of the LPWP project. <p>3. Secondary benefits (multiplier effect).</p> <p>4. Social benefits (unquantifiable and immeasurable).</p>
	<p>c. <u>Externalities</u></p>

The opportunity cost (or shadow price, really the true economic cost) mentioned in Table 3.1 of any factor is the "social cost of using that factor, i. e. the value of lost chances to do things." In the case of an unskilled worker with no other offer of work available the opportunity cost would be zero: this situation is very rare, however; nearly all the unemployed have odd jobs or housework with some value even if small, which value (i. e. the opportunity cost) would be lost if the individual were employed on a LPWP programme. The opportunity cost concept is important mainly in regard to two cost items, unskilled labour and imports (i. e. foreign exchange requirements). The use of market prices for valuation purposes will distort the actual economic values; usually the over-supply of unskilled labour will result in its opportunity, cost being far below the actual wage rate, whereas scarce supplies of foreign exchange will be undervalued in terms of the national currency by the official exchange rate.

The Manual is admirably clear in defining the items used, particularly those of Table 3.2. Furthermore the definitions are given algebraic effect with much thoroughness. It is in regard to giving statistical effect to non-market values that the difficulties arise as The Manual stresses. It is less clear in regard to estimation of shadow prices than with other aspects of these programmes, for the most part being content to refer to the considerable literature on the subject.²

Perhaps with an undue (no doubt, old-fashioned) regard for the sanctity of statistical estimation, the authors must confess to a measure of skepticism in regard to cost-benefit analysis in its purely statistical aspect. We think we could find enough quotations from the Manual to support us in this belief.

² In particular, UNIDO Guidelines for Project Evaluation, New York, 1972.

[There is specific mention of "incommensurable benefits". Indeed, in the working accountancy tables we note that provision is always made for market as well as shadow price valuation. We have no desire, however, to press the present point of view on Irish LPWP administrators. In the Manual the specification detail of all costs and benefits, even without the actual figures, is of great importance, ensuring that, in practice, no aspect will be overlooked. This alone justifies CB from our point of view. We have less objection to actual CB valuations of different projects including shadow pricing, provided that these are carried out by the same group of skilled evaluators, such exercises being undertaken for the purpose of selection from the vast number of possible projects, i.e. for evolving something like an optimal programme. This will be one which provides the largest possible number of man years work at the lowest cost per worker, regard also being had to the social value of the work done. We encounter the familiar general economic conflicts of choice here, conflicts which can be resolved only in a practical way. Emphasis, we suggest, must be on number of man years work created].

The Manual's principal statistical instrument is B/C, the ratio of the economic value of benefits to the value of costs. The treatment in the Manual is theoretical, i.e. "ideal" in character. It is inevitable that no country could fully realise the statistical formulation [quite apart from the point in the last paragraph]. Instead, we describe in some detail the method actually used by one of the authors of the Manual on mission to a developing country. This method is a great simplification compared with that described in the Manual and, we suspect, may have to be used in countries in which certain kinds of statistics are not available.

The national objectives in this unnamed country were to provide employment for the unemployed, to increase the incomes of the underemployed and "to capitalise the present abundance of labour (not all of it by any means unskilled) in order

to create investment which will be productive but which would not ordinarily be justified in relation to the labour input required, judged by conventional investment criteria. "With these objectives in mind the programme consists of labour-intensive public works projects (wages accounting for at least 60 per cent of total cost) which are directly productive (mainly in agriculture) indirectly productive (roads etc.) and socially beneficial (e.g. amenities and construction of schools).

The ILO author explained that the Manual guidelines were not closely followed because "the general methodology would require micro data surveys for each component of inputs and outputs" which there was not time to carry out, and the World Bank had fairly recently estimated the main shadow prices for a rural development programme.

The author gives a summary of the World Bank's methods and estimates from which one derives the impression of close thought being given to each element of estimate, but the resulting estimates looking somewhat arbitrary. The elements with shadow (or "accounting" prices) are as follows:-

- (1) Unskilled labour when "unemployed" may actually have some work content. Price is taken as U^{*} 3.1, one-third of daily wage actually paid.
- (2) Other labour generally priced at market rates.
- (3) The official exchange rate may not be a valid measure of the domestic value of a unit of foreign currency. After a close argument it is decided to multiply the official rate of U 6.13 (to one \$) by 1.3.
- (4) Transportation of workers is taken to be 0.7 of the money cost.
- (5) Because of the large import (foreign exchange) contents the cost of fertiliser is raised by 16 per cent.
- (6) Other imports raised costs by 10 per cent.
- (7) Land planted with trees was unproductive before, hence opportunity cost was nil.

* U = currency unit of country.

(8) Forest products were substitutes for imports, hence price was increased by 5 per cent.

(9) Non-internationally traded goods were valued at current domestic prices.

Costs incurred and benefits gained during the three years 1971 - 74 were evaluated and the benefits and costs estimated on a per worker basis. The assessment was necessarily tentative because of gaps in information mentioned by the author.

We set out the methods in some detail, because of their possible adoption in Ireland.

The table for costs may be summarised as follows:-

	National cost	Foreign aid
Capital	612	715
Management Variable	2,191	456
Fixed	1,231	251
Other administrative	209	-
Total	4,243	1,422

Grand total: U 5,665

In the author's table there are sixteen separate estimates (as compared with seven above), each explained in some detail.

On the benefit side agriculture is of course, by far the most important. The approach for "directly productive projects" is by discounted value during "the expected economic life of the agricultural project", taken as 50 years, stated to be used in other analyses. Discount rate (always a problem

with this approach) is taken at 10 per cent.³ Related projects (figures in brackets are U per worker) include forestry (1,751), mixed farming (1,357), fodder plantation (413), irrigation (1,311) other (356). Total benefit (described as "direct") from agriculture and related projects is therefore U 5,188 per worker.

Up to the end of 1973 the programme completed 12 new primary schools and extended 24 schools, almost 250 classrooms in all. It is remarked that the benefit is the difference between what private contractors would have charged and the programme cost. The per worker gain is U 161.

With road construction, methods of calculation were those devised by the World Bank. Construction was confined to feeder roads of short length and low traffic, in fact 113 roads, total length 47 miles. Total benefit over 30 years discounted at 10 per cent amounts to U 4.6 million or 714 per worker.

Total benefit amounts to U 6,063 (= 5,188 + 161 + 714) per worker. The benefit-cost (B/C) ratio is 1.07 (= 6,063/5,665) if estimation of costs includes foreign aid or 1.43 (= 6,063/4,243) if only national costs were taken into account. It is remarked that these ratios were not particularly favourable but it is added that only direct benefits from work projects were taken into account. For instance, no consideration was given to the possible long-term benefit of training on these works or the overall impact of the works specified on the economic development and welfare of Mauritius.

It is suggested in conclusion that to improve the benefit-cost ratio the greatest need is greater efficiency at the work site involving measurement of work, a new wage policy, more supervision and planning, and training by professional instructors instead of by foremen and gangers. Ireland has much to learn from this experience, particularly in the manner of assessment of benefit in relation to cost of works.

³ Note that this is far less of a problem if the object is comparison of benefits from a variety of projects, the same rate, of course, being used for all.

Emergency Employment Schemes

In the earlier part of this chapter we gave brief accounts of experience in a few developing countries. We resume these studies here, relying, on ILO sources of information.

It may be objected that experience and guiding principles in developing countries with national income per head much lower than here, must be very different from ours. This is generally true. Nevertheless, as will presently be seen, the problems associated with effort to relieve unemployment are precisely similar in all countries. The last section (with its fairly lengthy treatment of the problem in USA - a counterpoise to the rest of the chapter) makes this abundantly clear.

The present section is based on an informative article by J.P. Arles of the ILO.⁴ For this author "emergency" means situations requiring remedial action of some urgency. In actual fact, as will be seen, the article does not rigorously confine itself to this specification. It is particularly useful for application in Ireland in its theoretical and "intentional" treatment.

Schemes are evaluated mainly according to three main criteria: (i) speed and effectiveness, (ii) extent, nature, importance, (iii) long-term effects, on employment in particular. As to (i) there is some consideration of agreements or laws requiring employers to hire more labour; as to (ii) fuller utilisation of industrial capacity is dealt with and (iii) "the widest and most promising field seems to be that of public works ..."

As to (i), the experience of Kenya, 1964 and 1970, is cited. Agreements were deliberately short-term, designed to give authorities a "breathing-space". Employers undertook for a period of one year to increase the volume of labour employed by 10 per cent in both the public and the private sector in 1970; it was 15 per cent in the public sector in 1964. In 1970 there

⁴ "Emergency Employment Schemes, "International Labour Review, Vol. No. . 197.

copy 15-1

was the interesting stipulation that most of the employment should be provided in rural areas. The Ministry of Labour could modify the conditions as affecting employers. Trade unions agreed to a wage stand still and undertook not to strike. In 1970 a total of 46,000 jobs were created, 30,000 in the private sector.

Number of jobs was only 16 per cent of registrations in both 1964 and 1970. It resulted in a massive influx of new registrants that "resulted in an increase ... in the volume of unemployment". The towns attracted a disproportionate number of registrations and placements, with labour shortages in rural areas so that the scheme was a "total failure" in this latter respect. The tripartite agreements had no permanent effects on employment or on business investment decisions or methods of production. Wages were 2 to 3 per cent below what they would have been had there been no agreements. The one bright spot cited was that the 1970 agreement was successful in maintaining industrial peace.

The interesting suggestion is made that the project might have been successful if the agreements extended over several years. We have noted this recommendation in other authorities studied.

Industrial Capacity and Shift-Work

This section of the article starts with the statement that it is a "well-established though surprising" fact that capacity is underutilised in the developing countries; 60 per cent of capacity is stated as a "reasonable" estimate for the third world. It is added that there is an inverse correlation between degree of underutilisation and size of firm.

Main external causes are "scarcity or irregular supply of raw materials, an inadequate infrastructure and insufficient, unreliable or unstable markets." There is the interesting suggestion that new investments are made

before markets expand and enterprises can operate more easily at very low levels of productive capacity.

There is a suggestion that recourse might be had to subcontracting "as a means of ensuring regular orders for small-scale enterprises". Attention might be turned to the promotion of international subcontracting for establishing "contractual links between large firms in the industrialised countries and small undertakings in ... the third world". Such subcontractors would be trained by the large firms at home or abroad.

In the case of machinery lying idle for excessive periods, it is possible to increase the size of the workforce, resulting in an increase in productivity. When the working pattern is sub-optimal introduction of shift work may be the answer. In theory the increase in employment opportunities may range from 20 to 260 per cent. In practice the increments will be smaller. An experiment in Chili by an ILO expert shows the gap between theory and practice in this matter. It was calculated that an increase in the existing average of 1.4 to 3 shifts could increase industrial employment by 114 per cent. Due to the main constraints of foreign exchange, small-scale family enterprises intersectoral dependence the shifts were reduced from 3 to 1.6. However, even the improvement from 1.4 to 1.6 led to a net increase of 93,000 jobs (on existing 615,000).

There is so little information on structural or frictional unemployment, even if economic unemployment does not exist in the planned economies that a short paragraph in the article reviewed here will be found of interest:

"The economic history of the socialist countries affords an opportunity to test these theoretical assumptions concerning the effect of shift work on employment. One analysis that has been made refers to phases in the evolution of five countries when they could be regarded as economically underdeveloped - namely, in the case of the USSR, the period of the first Five-Year Plan (1928-32) and, in the case of four countries of Eastern Europe (Bulgaria, Hungary, Poland and Romania), the early stages of their industrialisation (1950-55). It has been estimated that, during the periods in question, the share of employment growth attributable to changes in the pattern of utilisation of means

in Poland and 59 per cent in Hungary. Thus, 'an increase in the degree of capacity utilisation, achieved largely by an increase in shift work, played an important part in accelerating economic growth in these countries and at the same time contributed towards eliminating unemployment.' "

There is citation in the article of the familiar objections to shift work.

One of the main difficulties is shortage of skilled workers, particularly of supervisors and operational planners. This well-known constraint may not be so serious in the fact that night shifts do not require as skilled a staff as do day work. There are constraints imposed by legislation and by trade unions, e.g. prohibiting night work by women and minors; and it is stated that in Columbia there is a 35 per cent premium on night work. A World Bank mission considered restrictions on women and minors as "anachronistic". The view is expressed that the wide disparities in wages between night and day in developing countries is largely the result of a preference for working at a normal time of day.

If it is "The implications of the foregoing analysis are highly relevant to the choice of the measures to be adopted: it is, indeed, on the socio-physiological factors explaining workers' preferences that stress should be laid. ~~It is is~~ mainly its inconveniences, coupled with a feeling of isolation and loneliness, that account for aversion to night work, it can be said that any improvement in the amenities of night work (housing, transport, food, police protection) will influence utilisation rates, and that the preferences themselves will change under the effect of an extension of night work resulting from those improved amenities."

Special Public Works Schemes

There is a citation of the objectives which differ only slightly from those given elsewhere in this chapter : (i) employment, (ii) redistribution of income in favour of the poorer classes, (iii) execution of productive projects, (iv) acquisition of skills.

While experiments up to now appear to have made only a marginal contribution to relieving unemployment and underemployment in the third world (thus Morocco 6-12 per cent, Bangladesh 3 per cent, Pakistan 2 per cent of the unemployed), the point is made that this familiar "percentage of unemployed"

understates the real impact of the projects. Several examples are given of which one may suffice here: in Morocco, each of 250,000 individuals - perhaps half of all unemployed males - were annually employed for 60 days receiving on average about a quarter of GNP a head. In Morocco also, the benefit/cost ratio, at a discount rate of 10 per cent, for all projects was 1.4 and it is authoritatively stated "the projects ... compare favourably with those carried out by other channels". Again "it does seem that, in many cases, these appraisals invalidate the criticism frequently made that experiments of this kind cannot be justified on economic grounds."

The main point here is the distribution of work amongst the largest possible number of unemployed a policy depreciated by Irish experts.

As in USA the projects failed in the matter of acquisition of skills. Schemes are exposed concerning profits and corruption and, at the national level, "disinterest, if not disdain" of the authorities.

As to experience gained on these special public works schemes, priority should be given to kinds of work that can be quickly completed, repairs and maintenance, for example. Local organisations are essential but national organisations are required as well, in particular to prepare in advance and approve an ample supply of projects. In regard to the Morocco project, an expert team reached the conclusion that "the more serious obstacles were administrative rather than economic." The same experts showed that "obtaining, full employment ... in Morocco might be 'a revolutionary target' but 'by no means an impossible one,' " in fact it would have cost 6 per cent of GNP or 28 per cent of government revenue, without foreign aid.

The authors conclude by arranging the three types of measures (tripartite agreements, better use of industrial capacity, special public works)

in developing countries in ascending order of merit.

The first is described as "stopgap", the second contains the risk of a shift toward capital - intensity.

"It is natural, therefore, that preference should be given to the third category of measures - the public works approach - by reason of their potential impact on labour and capital in the rural sector and because they are equally suitable as a response to an emergency situation, in the strict sense of the term, or as part of a longer-run development effort.

This brief survey of special public works schemes suggests that their capacity to make an effective impact on employment depends to a great extent on political and administrative factors".

Shift Work

Increase in shift work has obvious potential in increasing number of jobs. Our information is based on two articles⁵ in the ILR by M. Kabaj. These are full of comparative statistical information mainly relating to socialist countries which, if they have full employment now and so are untypical of Ireland, had high unemployment at the start of the regimes. We deal very briefly here with Kabaj's articles, not even attempting summary but recommending them to readers interested.

Table 3.3 Shift coefficients and employment expansion opportunities for Great Britain and six socialist countries for total industry

	Year	Actual shift coeff.	Employment expansion opportunities (%) with shift coeff. of -	
			1.6	1.8
			%	%
Great Britain	1964	1.22	31	48
Bulgaria	1963	1.45	10	24
Czechoslovakia	1963	1.40	14	29
Hungary	1963	1.41	13	28
Poland	1961	1.57	2	15
USSR	1962	1.51	6	19
Yugoslavia	1963	1.47	9	22

Note

For socialist countries the shift coefficient S_1 is usually

$$S_1 = (E_1 + E_2 + E_3) / E_1,$$

where E_1 , E_2 and E_3 are the number of man-days worked on the first, second and third shifts respectively. In Great Britain the coefficient S_2 is

$$S_2 = E_s / E$$

where E_s is the number of operatives working on shifts and E the total employment in the present.

Particulars are available for main industry branches.

The improvement in employment depends on the magnitude of the actual coefficient, much lower for Great Britain than for the planned economies.

The coefficients in the last two columns of Table 3.3 are theoretical.

⁵ "Shift-work and Employment Expansion". "Shift-work and Employment Expansion: Towards an Optimum Pattern", International Labour Review, Vol. 91, No.1, 1965 and Vol. 98, No. 3, 1968.

not possible of achievement in Great Britain where full employment obtained at the time, with mass immigration. [But they could be relevant for Ireland, assuming the actual coefficient could be appreciably improved, a matter for investigation, having particular regard to whether increased production was competitive in price at home and abroad.]

We conclude with a summarisation of Kabaj's "concluding remarks" in his later paper:

1. "The shift system is an inherent feature of modern industrial civilisation ... With ... increases in capital/labour ratios ... the wealth of nations has come to depend on fuller ... utilisation of modern industrial equipment ..."
2. Shift work has social disadvantages so that the search for an optimum pattern is important.
3. In socialist countries two phases can be distinguished. In the first phase, one of "unemployment and unlimited manpower" [like Ireland at present], the dominating aim was to maximise the shift coefficient. The problem of finding an optimum pattern arises only in the second phase of full employment.
4. This optimum is a compromise between social and economic factors. As in Table 3.3, the optimum shift coefficient is often regarded as lying in the range 1.6 - 1.8.
5. The concept of an optimal shift coefficient provides the planner with a yardstick for the formulation of targets for the expansion of employment through the more rational use of industrial resources.
6. While it may not be possible to eliminate night work completely, the study suggests that "there are wide opportunities for reducing night shifts with prejudice to production costs, labour productivity and profitability".

II OECD study of the main tendencies in employment and manpower
policy measures in the current recession

An OECD survey was undertaken in 1975 in an effort, "to facilitate an exchange of views on the relative weight and relevance of employment and manpower measures, both direct and indirect which have come into play in OECD countries in varying combinations and circumstances in the current recession".

The report states that any assessment of selective employment and manpower measures is made difficult due to a lack of quantitative information about the resources allocated to such measures and to inadequate evaluation criteria. Many of the selective measures taken by the countries are not fully operative, creating difficulty in assessing their effectiveness.

It is evident however, that governments are devoting larger resources to restrain increased unemployment and to alleviate the hardships caused by unemployment. Budgetary constraints have restricted the scale of the measures taken; whether priorities are right is another question; it is evident, however, that larger expenditures are required and will so continue for some time to come.

Unemployment compensation has played a useful role in replacing wage loss, "softening the hardship of generally deflationary policy," and having some stabilising effects by "permitting governments to pursue rigorous measures to bring inflationary tendencies under greater control." The report states that "emergency public works or relief projects so far have been little used, reflecting budget constraints, dissatisfaction with past performance, and an apparent preference

for the acceleration of public infrastructure investment for major public sector objectives."

The recommendations of the OECD survey may be summarised as follows:

- I Income maintenance for the unemployed
Strengthening unemployment benefit systems
Differential treatment of special groups
- II Maintaining job attachments and employment
Benefits for short-time work or temporary layoffs
Assistance of weak firms and sectors
- III Recurrent education
Training
Early retirement
- IV Restricting labour supply
- V Creating jobs
Mobility measures and public employment services
Public service employment and community projects
Public works for job creation
Financial incentives for private job creation
Job creation through regional development plans
Wage subsidies for direct job creation
Application of subsidy schemes to special groups

- I Income Maintenance for the Unemployed has been achieved by OECD Member countries using initiatives to modify existing social security systems by the following methods:

Strengthening Unemployment Benefit Systems has become one of the most important methods for substantially offsetting wage losses and easing personal hardships. These systems were designed for frictional unemployment but have had to be modified, because of the current recession, particularly in benefit levels, duration, scope of coverage, differential treatment of special groups. Benefit

levels have been raised considerably to compensate for cost of living rises with provision for periodic review in e.g. the UK and for indexation in e.g. Germany, Belgium, Italy.

A few countries experimented with "trigger" devices for automatic extension of duration or entitlement to benefits.

In Canada, the government contribution is automatically increased when the national rate of unemployment exceeds four per cent; individual entitlement is partly based on the rate of unemployment in the claimant's region relative to the national rate. In the United States, by legislation with a cut-off date, duration is automatically increased when the national rate of unemployment exceeds four per cent for three consecutive months. In Japan, benefit duration is extended in certain circumstances or triggered automatically if unemployment exceeds four per cent for more than four consecutive months.

Differential Treatment of Special Groups: In Sweden new state unemployment benefits is applied in particular to handicapped and older workers; Austria, Finland and Norway directly help older workers; Japan varies in duration of benefits with age and employability; in France interim supplementary allowances help workers whose jobs have been lost for economic reasons, older workers receive special benefits, redundant workers are treated as a special group; Australia, Canada and the United States have special programmes to assist workers affected by adverse international trade changes.

- II Maintaining Job Attachments and Employment has emphasises the necessity of maintaining jobs and keeping firms in existence. Legislation has been introduced in several countries to provide notice and time for consultation in prospective redundancy cases.

Work sharing has been encouraged also and in some cases indirect subsidies have been made to employers through provision of benefits to workers employed for less than normal hours.

Benefits for short time work or temporary lay-offs, while providing benefits for partial unemployment also have the object of minimising dismissals. Germany, France, Belgium, Italy, Japan and Luxembourg have schemes of benefits for those working short time; most countries have a limit for the time for short-term benefits. In Italy the scheme has special application to the construction industry.

Assistance of Weak Firms and Sectors: Many countries have tried to keep firms in existence by various means of government intervention. Canada, France and the UK have taken budgetary measures to improve the liquidity position of enterprises. France and the UK have made loans on an ad hoc basis or through participation in shares. The Netherlands and Ireland have endeavoured to find new enterprises or new management to take over firms which are on the point of closing; this may be combined with special financial incentives and assistance for re-training existing personnel. Special government contracts may be given to provide new management with orders; in Sweden the government gives bulk orders to firms, in Finland orders for paper-making machinery were advanced.

III Providing Alternatives to Employment has been increasingly recognised by governments and the possibilities for transforming involuntary to voluntary retirement by development of the concept of flexibility of working life.

Recurrent Education: In Germany, employees have the right to pursue further education with compensation for loss of pay and expenses; French law permits up to 2 per cent of a firm's labour force to take leave at any one time; in Belgium full-time workers aged under 40 may be absent from work on full pay for a stated number of hours; Italy provides the right to 150 paid hours' educational leave over a period of three years; Japan gives incentive grants to small firms for paid educational leave on training related to employment; every person aged over 25 years in Sweden, who has five years work experience is eligible for a university place; Australia has found that special incentives may be required in periods of reduced activity, to induce workers to take long service leave.

Training for the unemployed was used in most countries.

Contingency plans were developed in Norway, and new programmes introduced with special emphasis on youth in the UK; the US has a new "delivery system", whereby block grants may be used to provide comprehensive services including classroom instruction, institutional and on-the-job training and allowances for workers in training. Early retirement has been introduced by permitting the unemployed to withdraw from the labour force and obtain pre-retirement pensions, when their unemployment benefit is exhausted or after a fixed period of unemployment at a given age. Belgium, Finland, France, and Spain have adopted this method. Sweden has reduced the general retirement age to 65 and provided part-time early retirement by people aged 60 years or over.

IV Restricting Labour Supply: Social attitude changes may result in restricting the labour force supply, e.g. Australia has noted an acceleration of long-term trends towards lengthier periods of initial education and training.

Some countries restricted immigration for economic and social reasons. Germany discontinued immigration from non-Community countries at the first sign of rising unemployment in late 1973 in order to maximise employment opportunities for nationals. France also suspended immigration in early 1974 by gradually replacing "part of the foreign workers by French nationals".

V Creating Jobs by the use of active manpower policy, was government strategy in many countries.

Mobility measures and public employment service were initiated to facilitate the search for jobs and the matching of workers and jobs. Because of extra duties imposed on placement staff, Australia took care to avoid the impairment of government placement services by strengthening their services; in the US efforts were made to increase services by reviewing staff deployment and by recruiting a reserve force for claims processing; the Netherlands reported increases of staff for the employment service, new methods of operation, new building. Canada; devoted extra resources to contacting employees in an effort to find unreported vacancies. In Germany; in areas of endemic high unemployment, a special allowance was paid to unemployed persons, who took new jobs requiring adjustments, such as moving house, receiving training or accepting reduced earnings initially.

Public service employment and community projects have increasingly been used for the creation of jobs for the unemployed. The US made extensive use of public service employment with the object of increasing the number of jobs available to three times its former level, with the goal of creating full-time subsidised jobs for the unemployed. The Netherlands, New Zealand, Canada and Sweden all have programmes at various stages of development. In the case of Australia, Netherlands and France public employment has been permanently expanded.

The Local Initiatives Programme in Canada is a direct job creation programme for the initiation and implementation of community projects by unemployed groups during periods of high seasonal unemployment. The UK has a Community Industry Scheme for youth employment on projects of social or environmental value. Public Works for job creation have not been very popular, although Germany and Sweden have contingency plans and funds available for such purposes, while Finland and Denmark have initiated projects on an ad hoc basis and Belgium also speeded up its public works appropriations to produce immediate employment effects.

Increased expenditure has recently been projected by many countries for housing and other public works in order to reduce high-level unemployment in the construction trades in the relatively short-term.

Financial Incentives by governments for job creation in the private sector provide incentives for private investment grants, low rates of interest, depreciation allowances, rebates on taxes. Job creation through regional development plans has been achieved by financial incentives. In the UK the disparities in the

unemployment rates between areas have been reduced by regional employment premiums; France and Ireland have investment subsidies conditional on the number of jobs created and kept in existence. In an effort to reduce urban congestion Japan gives grants to employers in less developed areas where the increased capacity absorbs more workers.

Wage subsidies for direct job creation are regarded as an important strategy for creating additional jobs in a non-inflationary way.

In Germany, during early 1975, a wage subsidy amounting to 60 per cent of gross wages over 6 months, was paid to firms engaging additional permanent employees from the unemployed in areas with above average unemployment. France initiated an incentive bonus of Frs. 500, paid for six months for each job created between June and November 1975, to employers hiring under a permanent one year contract certain categories of unemployed persons.

The application of subsidy schemes to certain groups has taken place in Austria and Finland by granting financial incentives to promote the employment of new and inexperienced workers; in Germany subsidies were given for inexperienced and older workers and in France for young people between 14 years and 25 years.

There is a continuing trend towards subsidising the employment of handicapped workers in many countries.

World Employment Programme "Guidelines for the Organisation of Special Labour-intensive Works Programmes" by Emile Costa, Sunil Guha Ibrahim Hussain, Nguyen T. B. Thuy and Aime Fardet, International Labour Office, Geneva, 1976.

TABLE OF CONTENTS

	<u>Page</u>
<u>Introduction</u>	2
Theoretical basis of labour-intensive schemes	6
Practical justification of labour-intensive works programmes.....	13
Plan of the Manual	19
<u>Chapter I - Preparation of Labour-Intensive Public Works Programmes in Harmony with Economic Development Programmes</u>	I-22
I. Preliminary Remarks	I-22
Special Programmes Outside the Plan	I-24
II. Estimation of labour availabilities for LPWPs	I-28
A. Estimate of short and medium-term labour availabilities	I-30
Basic concepts	I-30
Data requirements for the estimation of "deployable labour surpluses".....	I-40
Regional data and choice of intervention zones	I-60
B. Estimation of "dynamic labour surpluses" for longer term programmes	I-63
Forecasts and projects of static deployable surpluses	I-63
Attempted estimation of a dynamic deployable surplus	I-64
III. The scope for LPWPs within national development programmes	I-67
A. General Remarks	I-67
B. Introduction of LPWPs in the planning process	I-69
IV. Identification of projects in LPWPs	I-76
A. Project formulation	I-76
Role of local communities and government officials and technicians	I-77

Observations linked to the process of project formulation	I-84
Summary recapitulation	I-86
Data to be presented when submitting a project	I-87
B. Criteria for project selection	I-87
General observations	I-87
Complementary Criterion	I-90
Short-term employment generation criterion	I-92
Longer-term employment generation criterion	I-99
Economic return criterion	I-103
V. Revision of the content of the plan sectors and adjustments in the programme in the course of implementation	I-114
Revision of the content of Plan sectors	I-114
Adjustment of the LPWP during execution : continuous planning	I-115
Annex I-1: Preliminary Engineering Survey	I-118
Annex I-2: Pro-forma for submission of Labour-Intensive Projects	I-119

.../

Chapter II - Organisational and Institutional Aspects
of Labour-Intensive Public Works Pro-
grammes

	II-1
I. Introduction	II-1
Overall background	II-1
Balance between centralisation and decentralisation	II-3
II. Administrative setting and staffing	II-8
General considerations	II-8
A. Organisation at national level	II-11
Role of the national planning agency	II-13
Machinery for programme administration and co-ordination	II-15
B. Proposed decentralised structure	II-21
Composition and role of the national LPWP development committee	II-21
Functions of the central administrative agency	II-24
Composition and role of regional development committees	II-28
Composition and role of sub-regional development committees	II-30
Composition and role of local development committees	II-32
Staffing at various levels and training needs ..	II-33
III. Participation of local communities	II-44
A. Enlisting local popular support and participation	II-44
B. Needs and advantages of having broad-based LPWP development committees	II-49
C. Consultation of elected regional, sub-regional and local assemblies on questions related to the management of Special Public Works Programmes ..	II-51
Consultation procedures	II-53
D. Utilisation of "community development" and "animation rurale" for promoting the programme activities	II-55
Role of "promoters" or "animateurs" in enhancing LPWPs at local level	II-57
E. Possible role of co-operative organisations, of workers' and employers' organisations and of voluntary agencies in promoting LPWP activities ..	II-62
General background	II-62
Issues to be considered	II-64
IV. Socio-political aspects	II-67
A. Problems related to land property rights	II-68
B. Social risks involved in using the contracting system for carrying out LPWP works	II-74
C. Advantages and dangers of enlisting the support of political parties for the programme	II-75

Chapter III - Financing: Mobilisation and Allocation of Resources III-1

 Outline of the problem III-1

I. Flexibility of budgetary techniques III-2

 Constitution of a financial reserve III-3

 Sharing expenditure between the operating and the capital budget III-4

 Multi-annual budgets III-6

 Sharing expenditures between national, regional and local budgets III-7

II. Mobilisation of Resources III-12

 Use of savings made out of other budget items III-13

 Taxation, loans and inflation III-14

 Contributions in kind by participating populations III-21

 Recourse to foreign aid III-24

 Food aid III-27

I. Allocation and control of resources III-34

 A. Budgeting, fund allocation, disbursement and audit III-35

 Preparation and submission of budget proposal III-35

 Allocation of Funds III-38

 Arrangements for drawing and disbursement of programme funds III-41

 Maintenance, submission and audit of accounts III-44

 B. Control and deployment of tools, equipment and materials III-50

Chapter IV - Technical Problems in Project Selection and Choice of Technology IV-1

I. Preliminary planning IV-1

 A. Introduction IV-1

 B. Phasing of Work IV-2

 1. Examples of integration of labour-intensive techniques with capital intensive techniques IV-2

 Examples of activities within a project.... IV-2

 Examples of projects in a development programme IV-6

 2. Examples of planning LPWP projects in time to fit into various phases of other projects in the Development Plan IV-8

 Sudden Emergency Situations IV-9

- C. Desirable degree of centralisation in decision-making regarding choice of technology IV-10
- II. General Background IV-12
 - A. Introduction of Advanced Methods IV-12
 - Examples of introduction of more advanced methods IV-12
 - B. Measures needed to encourage the adoption of labour-intensive techniques IV-17
- III. Criteria for choosing among technologies IV-21
 - A. Factors affecting the choice of technology.....
 - Design..... IV-22
 - Technical feasibility and quality..... IV-24
 - Costs IV-26
 - Construction time IV-30
 - Scale IV-34
 - Location IV-37
 - Resources IV-38
 - B. Choice of appropriate technology for various categories of work IV-40
 - C. Examples of cost comparisons at the activities level IV-73
- Annex IV-1: Preliminary Planning - A Case Study IV-85
- Annex IV-2: Case Study on the Construction of Flood Control Embankments IV-97

...../

Chapter V - <u>Recruitment, Job Allocation and Organisation of Work</u>	V-1
I. Selection, recruitment and distribution of work among participants	V-1
A. Selection criteria for workers	V-2
Level of poverty; key groups	V-2
Other criteria	V-3
B. Recruitment of workers	V-7
Administration in charge of recruitment	V-7
Organising recruitment	V-9
Voluntary character of workers' participation	V-12
Recruitment by subcontractors or labour co-operatives	V-16
C. Allocation of work among participants	V-18
Case of labour shortage; transfers of workers or materials	V-19
Case of a labour surplus	V-21
II. Organising the Labour Force	V-23
A. Size and Logistics	V-23
Size and management of the work force	V-23
Logistics	V-25
B. Productivity	V-25
Factors affecting the human capacity for physical work	V-26
Motivation to achieve optimum work capacity	V-28
Standards of site management	V-29
C. Organised Workers' Groups	V-31
Private Labour Contractors	V-32
Informal Labour Groups/Squads	V-33
Labour Co-operatives	V-33
III. Planning, Organising and Controlling the Work.....	V-40
A. Planning the Work	V-41
Finalising of Project Schemes	V-41
Planning a Project	V-42
Multiproject Scheduling	V-45
B. Organising the Work	V-46
Site Management	V-46
Site Layout and Material Handling	V-51
Weekly Site Meeting and Weekly Programme	V-51
Operational Instructions	V-52
Starting the Work	V-53
Recording and Regular Returns from the Site	V-54
C. Controlling the Work	V-57
Need for Control	V-57
Quality Control	V-57
Control of work tasks	V-59
Progress control	V-64
Cost control	V-66

Annex V-1: Labour Transportation to Work Sites	V-71
Annex V-2: Examples of Labour Intensive Techniques and Productivity	V-75
Annex V-3: Planning a Project (Tables).....	V-108
Annex V-4: Examples of Gang Balance	V-113
Annex V-5: Cost Control	V-119
Annex V-6: Planning and Programming Techniques	V-122

Chapter VI - <u>Remuneration, Other Conditions of Work and Workers' Training</u>	VI-1
I. The problem of workers' remuneration	VI-1
A. The level of basic remuneration	VI-2
Factors to be taken into account to determine the level of basic remuneration ..	VI-4
Variations in basic remuneration within the programme	VI-9
Level of remuneration and volume of employment	VI-11
B. Remuneration in cash or in kind	VI-13
Practical problems: acceptability of commodities, distribution of rations	VI-14
Conditions under which payment in food is admissible	VI-17
C. Incentive Wages	VI-19
Encouragement of labour productivity: payment by results	VI-19
Encouragement of stability of programme labour	VI-24
D. Payment of wages	VI-27
General principles	VI-27
Payment procedure	VI-28
II. Limitation of inflation resulting from workers' demand	VI-30
A. Demand-pull inflation	VI-30
B. Measures to limit or master inflationary pressure	VI-32
Increasing the supply of wage goods: investment selection	VI-32
Limitation of over-all consumption	VI-35
Controls on the purchasing power distributed within the programme	VI-36
Payment in kind as an anti-inflationary device	VI-37

III.	Other Conditions of Work	VI-40
	A. General Remarks	VI-40
	Basic considerations	VI-40
	Need for Supervision of Working Conditions	VI-43
	B. General Conditions of Work	VI-45
	Hours of Work and Rest Periods	VI-45
	Employment Injuries and Occupational Safety	VI-47
	C. Amenities provided to Workers on Site	VI-49
	Welfare Facilities for Workers	VI-49
	Transport facilities	VI-54
IV.	Training under labour-intensive works programmes	VI-56
	Preliminary remarks	VI-56
	A. Organisation of training activities	VI-59
	Level and scope of training	VI-59
	Integration of training	VI-61
	B. Possible fields of training	VI-64
	Earthworks and related operations	VI-65
	Masonry and carpentry	VI-66
	Specialised tasks	VI-68
	Agricultural and Forestry Projects	VI-70
	Annex VI-1: Model of a Payroll	VI-73

Chapter VII - Evaluation of results	VII-1
Evaluation during the project and after termination of the project.....	VII-1
I. Analysis of facts: physical achievements, results in terms of employment and income.....	VII-2
A. Measures for data collection.....	VII-3
General observations on procedure	VII-3
Progress and evaluation reports	VII-4
B. Data to be collected for evaluating achievement in terms of employment and income	VII-10
C. Gradual reabsorption of workers into the national economy in the course of the implementation of the programme	VII-17
II. Economic evaluation	VII-22
A. National cost-benefit (CB) analysis at project level and under certainty: three stages	VII-24
Stage 1 - Identification	VII-25
Stage 2 - Estimation and evaluation	VII-38
a. Estimation of the shadow price of main inputs attributable to a LPWP project.....	VII-38
b. Estimation and evaluation of benefits	VII-72
Stage 3 - Comparison	VII-91
a. Present vs future: problems of discounting	VII-91
b. Costs vs benefits: a benefit/cost ratio at the project level	VII-98
B. National cost-benefit analysis at project level: integration of risk and uncertainty.....	VII-103
Different proposed methods of dealing with uncertainty.....	VII-105
Suggested approach to be used in this manual.....	VII-109
C. Cost-benefit analysis at the level of category of projects	VII-111
1. Methodology of a CB analysis at the level of projects category.....	VII-112
2. Estimation of costs and benefits for an earth-works project	VII-113
3. Estimation of costs and benefits for a land development and improvement project	VII-118
4. Estimation of costs and benefits of water control projects	VII-127
5. Estimation of costs and benefits for a road project	VII-139
6. Estimation of costs and benefits of social infrastructure projects	VII-157
7. Benefit/cost ratio at the projects category level	VII-161

D.	National economic evaluation of the LPWP as a whole	VII-162
1.	Determination of the over-all benefit/cost ratio	VII-162
2.	Estimation of training benefits	VII-164
3.	Aggregate effects of the LPWP on the national economy: application of a macroeconomic linear programming model	VII-167
E.	Summary and Conclusions	VII-168
Annex VII-1:	Form for the Annual Summary of Physical Progress in the "Works Programme" of former East Pakistan	VII-171
Annex VII-2:	Questionnaires on Traffic Surveys in Nepal	VII-179
Annex VII-3:	Effects of the on-the-site training on the LPWP workers' productivity and efficiency- The "Learning by Doing" Phenomenon.....	VII-185
Annex VII-4	A Two-Sector Linear Programming Model for a Cost-Benefit Analysis of a Labour-Intensive Programme	VII-183
<u>Conclusion</u>	VIII-1

Chapter 4

TWO IRISH SURVEYS

This chapter consists of two parts I a pilot survey, conducted by ourselves, into the circumstances of about 300 males on the LR and II a survey of about 7,500 job-seekers conducted by the NMS.

I A Pilot Survey of the Unemployed

This is a pilot survey of men who were on the Live Register (LR) of unemployment for a considerable time and also the main statistical results of that survey. The decision to confine the survey to males alone was arbitrary and taken mainly because of financial constraints. The long-term unemployed were defined as those who, at a given date, were at least thirteen weeks on the LR. About 300 men were included in the survey, conducted by the field force of the Survey Unit of ESRI in May 1975.

As the problem of hard-core unemployment is of national importance, the Department of Social Welfare was approached with a request for financial assistance with the pilot survey which was granted. The purpose was to assess the characteristics of the longer-term unemployed, the difficulties they have in coping with unemployment and how they overcome such difficulties.

1. Description of the Survey

The total sample of 300 males was divided into one-third for Dublin (i.e., about 100) and two-thirds for the rest of Ireland (about 200) which is approximately the proportion of the total unemployment population pattern. The rest of Ireland part of the sample was two-stage: (i) a random selection of local offices of the Department of Social Welfare and (ii) a random selection of men on the LR in each of (i). The frame for (i) was the number of persons on the LR of each local office (ISB, December 1974). As to (i) ten local employment offices were selected by probability sampling. As to (ii), the Department of Social Welfare agreed to co-operate in obtaining a representative sample of men currently on the LR. The problem was to select a random sample of males from the designated local offices (including two in Dublin). It was possible to obtain 490 names, thus making

allowance for unavailables etc. From these 300 names and addresses were selected randomly using a Random Numbers Table. It was not possible to have direct access to the LR, nor to have direct contact with people on the register without their prior permission having been obtained by the local Employment Exchange.

The local offices were asked to select 35 names each of males unemployed for 13 weeks or more on 1 May 1975. The Exchanges' records are kept in alphabetical order and randomness was to be maintained by beginning the selection in each office at a letter randomly selected. The local office selector was instructed to look at every card from the first one under the initial letter and to select the first 35 cards which came within the terms of the sample, i.e., men on the LR for 13 weeks or longer at the date of selection.

The managers of the local offices asked the people selected if they would be willing to be interviewed by ESRI interviewers. The final lists gave names, addresses and occupations of 35 people from each of the 10 centres named outside Dublin, and 70 people for each of the two Dublin offices. The selectors were also asked to state the number of refusals received.

The numbers of names returned from the Exchanges were:

<u>Local Office</u>	<u>Quota</u>	<u>No Received</u>	<u>Per Cent Received</u>	<u>Refusals at local office</u>	<u>Per Cent Refusal</u>
Dublin North: Gardiner St.	70	60	86	10	14
Dublin South: Werburgh St.	70	70	100	0	-
Athlone	35	16	46	19	54
Drogheda	35	30	86	5	14
Trim	35	35	100	0	-
Bagnalstown	35	35	100	0	-
Bray	35	23	66	12	34
Clonmel	35	21	60	14	40
Ennis	35	35	100	0	-
Limerick	35	29	83	6	17
Nenagh	35	30	86	5	14
Cahiriveen	35	35	100	-	-
	<u>490</u>	<u>419</u>	<u>86</u>	<u>71</u>	<u>14</u>

The return from the Employment Exchanges was uneven, ranging from 54 per cent to 0 refusals. There were 419 names, which by making a small further selection was brought up to 425, divided into 136 for Dublin and 290 for the Rest of Ireland. Ultimately, the actual returns obtained were as follows:

	Quota	unknown	Employed at date of contact	Brothers in same household	Refusals	Non Contact	Ill	Gone away	Returns	Unused quota
Dublin	136	10	9	1	-	11	1	9	95	-
Rest of Ireland	290	2	34	15	1	14	2	2	204	15

The interviewers obtained a total response rate of 70 per cent. In Dublin the non-contacts were recalled by the interviewers 6 to 8 times; in the rest of Ireland there were 5 recalls. Finally, 299 successful interviews were obtained, 95 of which were in Dublin and 204 in the rest of Ireland.

The questionnaire used was designed to elicit information on the previous employment, mobility, income from all sources, age, family structure and housing conditions of the unemployed males to be interviewed. Questions were asked to find out the amounts of Redundancy Pay, Pay Related Benefits, Unemployment Benefit or Unemployment Assistance, wife's earnings, pension receipts, other income. Questions regarding difficulties encountered in keeping up the standard of living for essentials compared with a normal week when at work were asked; as well as about the difficulties other than financial which the long-term unemployed encountered; and whether certain types of jobs at current rates of pay would be taken up, rather than remaining unemployed.

In examining the results of the pilot survey it is essential to state that;

- (i) the sample is not strictly random because of the nature of the sampling frame;
- (ii) the survey does not cover all unemployed, as women, school leavers until they come on the LR at age 18, farmers, self-employed, are not included;
- (iii) the sample was picked from the LR and applies therefore only to those who came within the terms of the Social Welfare Acts and were in receipt of financial support as defined by the Acts;
- (iv) the impact of the extension of the scheme to cover all employees has not yet been experienced. Since June 1974 social insurance cover applies to all employees without a remuneration limit. Previously only manual workers were included without limits, and non-manual employees were covered whose annual earnings did not exceed £1,600 p. a.

It will be appreciated that the questionnaire used was experimental, with too many open-ended questions. In fact, part of the object of the pilot survey was to find out the questions which should be asked and the ability and willingness of respondents to answer them.

2 Primary Results

First, simple counts are given, leaving analysis proper till later. As the sample is a small pilot one of 299 men three months or more on the LR, the statistics are sometimes presented in rounded-off percentages like 35, 60; in fact all percentages quoted should be read this way. The questionnaire order is followed comprehensively, regardless that some particulars are less important than others. At the analytical stage there will be more selectivity. Figures are percentages unless otherwise indicated. [Comments will be clearer by reference to the questionnaire.]

Particularly as regards these primary results, it should be borne in mind that many of the statistics dealt with in this survey (e.g. ages, duration of unemployment, occupations, industries etc.) and others not covered here (e.g., regions, sex, non-registered unemployment) are available on a comprehensive scale officially (mainly compiled by CSO). In a survey, statistics of these types are displayed partly to show that the survey sample is representative but, more importantly (as here - sec part III) for analysis in the form of showing the relationship between the various aspects.

Present stint on LR

weeks

13 - 26 25

27 - 52 35

One year or over 40

The inquiry was conducted (May 1975) when unemployment (approximately 100,000 men and women on LR) had reached recession levels. Inquiry was confined to long-term unemployed (i.e. more than three months on LR) partly to correct for this recession character, since the main interest is that of unemployment in its endemic character, i.e., at a more-or-less permanent level recently of about 50 - 60,000.

Location (last job)

Near home	88
Away	12

Industry (last job) (omitting AFF)

	Pilot survey	Census 1971 male employees
Manufacturing	34	30
Building, construction	27	17
Commerce, transport	20	28
Services	15	18
Other	4	7

The higher percentage for Building and construction for the unemployed than for male employees on the labour force calls attention to the larger percentage in this industrial group (the largest outside agriculture) unemployed than for the general body of employees.

Size of establishment (last job)

Fewer than 10 employed	35
10-49	30
50-99	10
100+	25

Unemployment seems to affect small units disproportionately, though no comprehensive figures for comparison for the whole economy are available.

Duration of employment (last job)

Less than 3 months	10
3-6 months	15
6-12 "	15
1-5 years	35
5-10 "	10
Over 10 years	15

That so large a proportion as one-quarter of long-term male unemployment was five or more years in last job may be partly due to the recession, causing unemployment amongst those who never experienced it before.

Regular job

Manual mainly skilled or semi-skilled	45
" " unskilled	35
Non-manual	10
Other and undefined	10

Percentage unskilled is rather less than would be anticipated.
This is a case where full statistics are obtainable from official records.

Average weekly pay (last job)

Gross	£32
Take-home	£26

These figures are unrealistically low because of inclusion of long-term out-of-works and occupation (e.g. waiters) with board and tips. As to the former point, average take-home pay was £31 for those a year or less and £20 more than a year, on LR.

The average of £26 (which would be much larger if the unemployed had their jobs now) compares with the income they have now, namely, £20 (government £17, private £3.)

Duration of illness in year before unemployment

None	80
Under 4 weeks	10
4-13 "	10

The 10 per cent a month or more ill seems rather large. As will be seen in part III this percentage is unrelated to any other condition taken account of here, e.g. it does not depend on age etc.

Length of notice

No notice	20
Own accord	20
Less than 4 weeks	50
Other	10

There was little long-term notice, which would have enabled men to look for other work. In some cases workers may have known informally of the probable onset of unemployment; or employers may not have known of approaching slackness. The majority of occupations are those which normally employ workers on a week to week or short term basis.

Total experience in year May 1974 - April 1975

1. Employed	
Near home	27
Elsewhere in IR	2
Abroad	1
2. Unemployed	70

Percentages are based on total time spent in each condition. It will be recalled that all in the sample had at least three months unemployment.

Offer of job during this spell on L.R

Only 5% were so offered.

Methods used looking for work

Read advertisements	60
Phone, letters	60
Ask friends	55
Manpower, Labour Exchange	60
Tried at least one method	95

It appears that reasonably strenuous efforts were made to find work.

Spells of unemployment in year May 1974 to April 1975.

One spell	85
Two or more spells	15

It will be recalled that the figures relate to long-term unemployed.

Weeks on UB and UA during present spell

	<u>UB</u>	<u>UA</u>
None	14	49
1-13 weeks	7	11
13-27 weeks	36	19
27-52 weeks	43	8
53 weeks or over	-	23

All recipients were in receipt of UB or UA, never both at the same time. It will be seen that almost half the unemployed were never on UA this stint; these were on the more remunerative UB.

Income ("Extra") from other than official unemployment pay (UB, UA, Redundancy etc.). Percentage of persons with specified forms of extra income specified.

	<u>All</u>	<u>Married*</u>
1. Pension	3	5
2. Wife working		
Because of unemployment	2	3
Before	6	10
3. Children working	13	21
4. Other	8	11
5. Any source		40

Average extra income

Per recipient	£9 per week
Per person in sample	£3 per week

Percentages of numbers of men on UB and UA at time of inquiry were

UB	
Alone	31
With other government benefits	27
UA	43

Classified by number of government benefits

1	74
2	22
3-4	4

* Here and elsewhere the term "married" includes widowed and "other".

Percentage distribution of income from Government

	<u>All</u>	<u>Married</u>
Under £10	30	3
£10 - £19	30	40
£20 - £29	30	43
£30 or over	10	14

Average income from Government £17 for all, £22 for married.

<u>Ages</u>	<u>Survey</u>	<u>CP 1971</u> <u>Male GO</u> <u>(excl. AFF)</u>
20-24	16	16
25-29	15	14
30-39	23	23
40-49	18	21
50-59	20	19
60-64	8	7

Ages 18-19 and 65+ excluded, to compare with CP. Rest account for 96 per cent of total. The two sets are remarkably close.

<u>Birthplace</u>	<u>Survey</u>	<u>CP 1971</u> <u>Male</u>
County of residence	87	79
Elsewhere	13	21

The unemployed contain a higher than average proportion of unskilled, hence of lower post-primary education, in consequence less mobile than average.

<u>Marital status</u>	<u>Survey</u>	<u>CP 1971</u> <u>Male > 20</u>
Single	37	37
Married	60	58
Widowed	3	4

Again we notice similarity of unemployed and CP proportions.

<u>Age at marriage</u>	<u>Survey</u>
Under 20	10
20 - 24	45
25 - 29	28
30 or over	17

It will be seen from part III that men are now marrying at an earlier age than formerly.

Number of dependent children.

	<u>Survey</u>
None	20
1 - 3	50
4 or more	30

Based on married or widowed males.

Type of accommodation

	<u>All</u>	<u>Married</u>
1. Rented		
Private	11	15
Local authority	32	44
2. Own house	23	32
3. Living with parents, relatives etc.	34	10

Only 1% resided in lodgings - included in 3:

Rent reduction since unemployed.

This occurred in 14% of cases. In such cases average was £1.93 a week.

Last education level

Primary	70
Vocational	17
Secondary	11
University etc.	2

School-leaving age.

	<u>Age</u>	
Under	14	10
	14	50
	15	15
	16	15
Over	16	10

Served apprenticeship

Yes	25
No	75

Courses other than apprenticeship in life time

were followed by 13%

Willingness to take specified jobs

Agricultural drainage	40
Road Work	50
Cleaning dumps	30
Work on dwelling houses	60
Clearing farm land	40
General odd jobs	70
At least one of above	87

That 87 per cent are prepared to take a job of the type indicated ("at current rates of pay for the job, even though such job may not be what you are accustomed to") is the most remarkable showing of the whole pilot inquiry. It remains to be seen, however, if so many would be forthcoming on actual offers of work. The age distribution of those willing to take jobs was:

<u>Age</u>	<u>%</u>
20-34	44
35-54	38
55+	18

Would accept work away from home

(conditions away right)

55% answered Yes

Place of Work

Only near home (20m)	35
Anywhere in IR	65
Dublin or other IR city	45
Abroad	30

Percentages relate only to 55% who answered "Yes" in previous question.

Work time preference

Shift work (including night)	50
Full-time day	95
Part-time	80
Occasional (incl. seasonal)	70
Flexi-work	70

Most important feature of job

Good pay	45
Liking work	45
Both equal	10

No significant difference between single and married. This question is of attitude not of fact. "Non-pay" percentages are higher than might be expected at a time when men were very conscious of shortage of cash.

If enough money to live comfortably would you work anyway?

Yes	80
No	10
Undecided	10

No significant difference between single and married.

<u>Age at first job</u>	%		%
-14	7	17	7
14	35	18	7
15	20	19	2
16	17	20+	4

First and regular job

	<u>First</u>	<u>Regular</u>
1. Farming, fishermen *	12	4
2. Mining, manuf. occs.	15	21
Building, constr. workers	15	21
3. Skilled	5	11
4. Unskilled	4	13
Transport, communication		
5. Motor drivers	1	6
6. Others	6	4
7. Salesmen, shop assts.	4	3
8. Personal service	4	3
9. Clerks	2	2
10. General labourers	9	14
11. Other skilled workers	6	8
12. Other, undefined	31	9
13. No occupation	1	1

* Excluding farmers and relatives assisting

<u>Summary</u>	<u>First job</u>	<u>Regular job</u>
Manual, mainly skilled and semi-skilled (2, 3, 5, 11)	26	46
Manual, mainly unskilled (1, 4, 6, 10)	32	34
Non-manual (7, 8, 9)	10	9
Other, undefined, none (12, 13)	32	11

As shown by B. Hutchinson⁽¹⁾ the change between first and regular (presumably last job in most cases) is considerable. As usual when dealing with occupations there was trouble about definition. One notes the drift towards general labourers (10). While there is also an increase in building labourers (4) there is also a rise in skilled (3 and 21). In the Summary one assumes that the main change is from Other etc. as first job to Manual, skilled and semi-skilled. One assumes that Other etc. (12) consists mostly of messenger and other such jobs.

Number of moves since first job

No move	20
1	12
2	19
3	14
4	9
5	10
6	6
7	5
8 or more	5

As 80 per cent moved and with so many young men in the sample (31 per cent under age 30), one assumes that, as regards jobs, the unemployed do not experience normal steady employment.

How difficult being unemployed?

	All	Married
Very difficult	65	70
Some difficulty	25	25
No difficulty	10	5

Reasons mentioned for finding life difficult

Depression	20	Financial problems	10
Degradation	15	Need to work	10
Boredom	45	In the way at home	20
Hopelessness	5	Domestic problems	5
Feeling unfit	5	No spending money	10

(1) Social Status in Dublin: Marriage Mobility and First Employment, Bertram Hutchinson, Paper No.67, The Economic and Social Research Institute.

In sum, 93 per cent found life difficult. The survey does not appear to have isolated the particular reasons why, as is natural, nearly all the men unemployed found life difficult. Boredom seems by far the worst feeling. It is remarkable that shortage of spending money gets a low rating. The answer might be different if wives were questioned.

Reasons mentioned for helping to live with fact of unemployment

Hobbies	35	Getting used to	5
Work in house	30	Hope of job	10
Family support	25	Not able to work	5
More family life	5	Good health	5
Keep occupied	10	Money saved	5

17 per cent stated that there are no compensations; it is doubtful whether we may infer from this that 83 per cent thought they were some.

Difficulty with items of expenditure specified

	Very	Some	Little or no
Food	30	35	35
Own spending	65	20	15
Fuel, light	40	25	35
Clothes	55	25	20
Housing	20	20	60
Insurance	25	20	55
HP and credit	25	10	65
Motor	25	15	60

In establishing percentages "not applicable" and "no answer" classes omitted.

Source of financial help

Borrowing, relative or friend	40
Postponed payment	10
Car not taxed	5
Discontinued insurance	5
Borrowed from loan business	5
Drew on saving	15
Credit from tradesmen	5
Other	5

Some help was obtained in 70% of ca

Activity	Normal	activity after unemployment		
		continued	reduced	gave up
Family outing	40	15	35	50
Hobbies	55	60	20	20
Smoking	80	30	65	5
Drink	85	15	65	20
Cinema	35	10	40	50
Betting	20	20	40	40

Activity after unemployment percentages based on those who normally participated. Hobbies were best sustained, cinema worst.

Living expenses

Item	Increase	No change	Reduction		Does not apply etc.
			Little	Big	
Food					
Bread	15	75	10	5	10
Milk	5	80	10	5	15
Butter	5	60	20	20	10
Margarine	20	80	0	0	40
Meat	0	30	20	55	10
Sausages	10	65	15	10	25
Potatoes	5	70	10	20	25
Tea	0	95	5	0	10
Sugar	0	90	5	5	10
Sweets, cakes	0	35	15	56	35
Other food	5	65	10	25	40
Drink	0	15	20	21	25
Tobacco	0	25	30	40	25
Clothing					
Men's	0	20	15	62	5
Boys'	0	30	25	45	60
Women's	0	20	15	63	40
Girls'	0	30	20	57	65
Fuel, light	0	55	15	30	20
Housing	5	85	5	10	30
Durables	0	70	10	20	35
Newspapers	0	80	5	15	25
Travel	0	35	10	54	50
Entertainment	0	35	10	58	50
Television, etc.	0	95	0	5	25
HP etc.	0	75	10	15	85
Children's money	0	50	10	40	75
Other	0	65	5	30	85

Some rows do not add to 100 because of rounding to 5s. "0" in col. 1 includes items with no entry. Percentages in first four cols. based on "Does not apply etc" exclusion. Increases in inferior foods will be noted Biggest reductions (50 percent or more) were in drink, men's and women's clothing, travel and (all at 50 percent) meat, sweets etc., girls' clothing, entertainment.

3. Associations

The small size of the pilot sample restricted analysis to two-dimensional tables (i.e. A XB) and, as will have been evident from part 2, each factor contained few categories. These restrictions might vanish with a possible substantive large survey. Statistics can be made from these returns, probably with a greater number of significant results from greater refinement of classification and, of course, from large numbers.

The approach to analysis has the virtue of simplicity. In relation to each question and sub-question it was considered what other questions could have conceivable relation to it, the statistical instrument, being chi-squared. Hundreds of A x B tables were produced but only a few of these indicated null-hypothesis significance.

The primary interest is in finding out if hypothetical relations are, or are not, true. Consistency in answering is also interesting, the "obvious" (e.g., in post-primary education school leaving age) being shown by very high values of chi-squared. In substantive inquiry the computer would indicate inconsistency on individual forms.

All the statistically significant results are shown in Table 4.1. Attention is particularly directed to the "Principal reason(s)" section of the table, which contains most of what has to be said on this aspect of the results of the pilot survey. Very few, if any, of the relationships are unexpected which does not mean that they are without value: in the social sciences pre-conceived ideas must always be checked. Even with highly significant chi-squares it is not always possible to state "reasons" in a simple way.

On statistical significance: the critical probabilities, it will be seen, are one-sided which means lower levels of significance than if they were two-sided. A more subtle reason militates against acceptance of the probability levels stated. If hundreds of X^2 's are produced from absolutely random data, some few will be found "significant" by conventional tests, whereas to imply the likelihood of true relationship would be invalid. Purely statistical inference is often suspect unless it be backed by non-statistical reasoning and knowledge.

Some of the non-significant results are as interesting as those found significant, always bearing in mind that failure to identify significance may be due mainly to the smallness of the sample which also means that the relationships, if any, will never be found to be strong (by reference to null-hypothesis probability).

There was no significant association between illness in last year of employment and any other factor investigated. This is the more remarkable for the fact that, as we have shown in part 2, the amount of illness seemed appreciable, at 20 per cent. This result means that business of employer, own job, age, marital status, education etc. had no effect on amount of illness.

Reference to other cases of lack of significant relationship will be brief, signalling only the following:-

Business of last employer x

Number of spells of unemployment in year

Education

Number in establishment x

Pay

Education

Regular job x

Spells of unemployment in year

Weeks on UB and UA

Number of methods seeking work x

Place of birth

Marital status

Willingness to work away from home

Age x

Would take any job

Marital status x

Would take any job

Willingness to work away from home

Difficulty

Would take any job x

Willingness to work away from home

"Pay" or "work" preference

Financial aid

Table 4.1 : Two factor associations significant by chi-squared [Null-hypothesis one-sided probability levels:

xxx < .001; xx < .01; > .001; x > .01]

No. code	Short title	Significance	Principal reason(s) for aberration, if ascertainable
<u>2 (b) x</u>	<u>Business of last employer x</u>		
2 (c)	No. employed in establishment	***	Size larger for manufacturing
2 (d)	How long employed last job	***	No obvious association
3 (a)	Regular job-detail	***	Strong association business and job
3 (b)	" - - summary	***	" " " " " "
4 (a)	Gross pay last job	**	Low pay Services, Commerce, high pay Building
9 (b)	Number methods seeking work	**	Commerce, Services tried more ways
10 (a)	Age		Commerce high in young persons, Building in old
13 (b)	Place of birth	**	Manufacturing high for county of residence
<u>2 (c) x</u>	<u>No. in establishment, last job x</u>		
2 (d)	How long employed	***	Firms size < 50, short o.a duration
3 (b)	Regular job-summary	**	Skilled and semi-skilled high for firms size > 100
6	Length of notice	***	Many in 20-49 employee firms left of own accord
22 (b)	Willing to work abroad	*	High proportion in firms size > 100
<u>3 (a) x</u>	<u>Regular job-detail x</u>		
4 (b)	Take home pay	**	Pay differentials for different jobs
9 (b)	Number methods seeking work		Labourers try few methods
17	Education		Labourers low in post-primary
18	School-leaving age		Consistent with 17
19	Apprenticeship		High for skilled, low for unskilled
21 (b)	Would take any job		Skilled and non-manual comparatively reluctant
22 (a)	Job away from home	*	Very mixed responses
24	"Pay" or "work" preference	*	Labourers high and non-manual low in preferring "pay"
26 (a) (i)	Age at first job	***	Low for labourers
26 (b)	Moved after first job	***	Percent movers high skilled and non-manual, very low for labour
<u>3 (b) x</u>	<u>Regular job-summary x</u>		
9 (b)	Number methods seeking work	***	Non-manual tried more ways
16 (a)	Type of accommodation	**	Non-manual low in LA house (rented)
17	Education	***	Unskilled low, non-manual high in post-primary
18	School-leaving age	***	Consistent with 17
19	Apprenticeship	***	High for manual skilled and non-manual
21 (b)	Would take any job	***	Skilled and non-manual comparatively reluctant
24	"Pay" or "work" preference	**	Non-manual high on preferring "work"
26 (a) (i)	Age at first job	**	Non-manual high in starting over age 14
26 (b)	Moved from first job	***	Large proportion non-manual moved
26 (a) (ii)	First job-detail	***	} While change takes place since first job, association between first and last remains close
26 (a) (iii)	First job - class	***	

Continued

Table 4.1 (continued)

No. code	Title	Significance	Principal reason(s) for aberration, if ascertainable
9 (b) x	<u>Number methods seeking work x</u>		
13 (a)	Age	***	The younger the more jobs sought
21 (b)	Would take any job	***	Greater number methods, less inclined take any job
22 (b) (ii)	Work anywhere in IR	**	Greater number methods, the more No.
22 (b) (iv)	Would work abroad	***	" " " " " " " "
24	"Pay" or "work" preference	**	Fewer methods tried, greater preference "pay"
27 (a)	Difficulty	***	"Very difficult" the greater, number methods greater
12 (f) (i) x	<u>Number of benefits x</u>		
13 (a)	Age	***	The older the more benefits
15	Number of dependent children	***	Spurious as due to inclusion of unmarried in chi-squared
17	Education	*	No obvious reason
21 (b)	Would take any job	***	With two benefits percent "wouldn't" greater than for one benefit
13 (a) x	<u>Age x</u>		
14 (a)	Marital status	***	Obvious
14 (b)	Age at marriage	***	The younger the higher percentage married
15	Number of dependent children	***	Obvious
16	Type of accommodation	***	Obvious (young live with relatives)
17	Education	***	The younger the higher post-primary
22 (a)	Job away from home	**	Per cent "No" increases with age
24	"Pay" or "work" preference	*	No obvious reason
27 (c)	Financial help	**	Rather more for young than old
14 (a) x	<u>Marital status x</u>		
15	Number of dependent children	***	Obvious, since "unmarried" included
16	Type of accommodation	***	Obvious, since "living with relations" included
17 x	<u>Education x</u>		
18	School-leaving age	***	Obvious
19	Apprenticeship	**	Higher education, higher percent apprenticed
21 (b)	Would take any job	***	Higher education, lower disposition
24	"Pay" or "work" preference	*	Lower education, more for "pay"
25	"Would you work if rich?"	*	Larger percent for post-primary
26 (a) (i)	Age at first job	***	Obvious
26 (b)	Moved after first job	**	Higher education, higher propensity to move
27 (c),	Enabling to live with unemployment - Hope of job	***	Higher education, higher "hope"
21 (b) x	<u>Would take any job</u>		
27 (a)	Difficulty	***	"Any job" have higher percent "very difficult"
27 (a) (i)	"Is life difficult?"	***	Confirming 27(a)

4. Effects of Marital Status

When the first computer results were to hand, it was evident that several factors could depend largely on whether the unemployed men were married or single. So for these factors a second run was arranged. Some of the results are included in part 2. The rest are dealt with here. The term "married" includes widowed and "others".

It will have been seen from the Pilot Survey that weekly average Government pay for unemployed married men is £22 compared with the general average £17. As might be expected, there is a considerable difference between single and married as regards availability of any non-government income, which is a mere 5 per cent for single men but no less than two-fifths for married men. One-third married own their dwelling. Curiously, as many as one-tenth live with parents. There is no significant difference between single and married preferences regarding good wages and liking the work or whether they would work anyway if they had enough money to live comfortably. This is unexpected: one would have thought the married to be more "realistic", i.e. to prefer pay to work and leisure if they could afford it. This is not so. It is not surprising to find that the percentage who find life very difficult is higher amongst the married, 71 compared to 59 per cent. One is surprised only that the contrast is not greater: in fact, in the small sample chi-squared does not identify the difference as significant, though there can be no doubt about its reality.

The difficulty in meeting certain items of expenditure since becoming unemployed showed "very difficult" percentages for single and married and chi-squared significance were as follows:-

	Very difficult		Chi-squared significance
	single	married	
Food	10	35	xxx
Own spending	60	65	..
Fuel, light	10	50	xxx
Clothes	50	55	
Housing	5	25	xxx
Insurance	5	20	xxx
HP and credit	0	15	xxx
Motor	5	10	xxx

All are significant (and in the expected direction) except for spending money and clothes.

For borrowing it is unexpected to find that the percentage for the single is significantly the larger, 50 compared to 35. In summary, however, there was scarcely any difference, at 70 per cent for both.

For changes in expenditure on pleasure the only heading for which there is essentially a difference between single and married is for family outing. For this head we find that 65 per cent married men normally took their families for outings: the percentages for those when unemployed was only 15 per cent. The percentages for single and married for the other heads were as follows:-

Activity	single	Normal	Continued after unemployment	
		married	single	married
Hobbies	45	55	60	60
Smoking	70	85	30	25
Drink	80	85	20	15
Cinema	45	35	10	10
Betting	20	20	25	20

One is more struck by the consistency of this set of figures than by anything else.

The following table shows only the "no change" or "increase" percentages for the two classes:

<u>Item</u>	<u>Inc. or no change</u>	
	<u>Single</u>	<u>Married</u>
Food		
Bread	90	95
Milk	90	85
Butter	70	60
Margarine	85	95
Meat	45	25
Sausages	80	70
Potatoes	85	70
Tea	100	95
Sugar	95	90
Sweets, cakes	35	45
Other food	60	50
Drink	45	30
Tobacco	20	30
Clothing		
Men's	40	35
Boys'	a	30
Women's	a	20
Girls'	a	30
Fuel, light	80	45
Housing	90	80
Durables	85	55
Newspapers	80	80
Travel	35	25
Entertainment	35	30
Television etc.	90	95
HP etc.	a	45
Children's money	a	45
Other	a	60

a: small numbers in sample

If required the percentage who reduced expenditure will be found by deducting the foregoing figures from 100.

In most cases the percentage for married men is lower than for single. As exceptions one notes bread and margarine, inferior goods. The higher percentage for sweets etc. for married is, no doubt, due to children. Tobacco is another exception but both figures are small. The picture for both single and married is one of hardship.

(In last table and perhaps the corresponding one in part 2 "not stated" was assumed to be a reduction. This may require reconsideration.)

Subject to the imperfections of a relatively small and not strictly representative pilot survey, the results do not support the beliefs, which are voiced frequently, that the unemployed are "well-off" or "chronically unemployable".

Three quarters of the men had left school before the age of 15; most had primary education only; the majority were unemployed for less than one year but a sizable number were out of work for two to five years. They had experienced frequent previous spells of unemployment; many had worked abroad especially in the UK. The majority were married, most having families of one to three dependent children, although one third had four or more dependent children. More than three quarters of the respondents were manual workers, of whom 45 per cent were skilled or semi-skilled and 35 per cent unskilled. As their work pattern was broken by frequent spells of unemployment, the majority did not qualify for unemployment benefit nor for pay related benefit; nor did they have the two years continuous employment with one employer necessary to qualify for redundancy pay. As a large number of respondents had been unemployed for periods ranging from one to fifteen years, their average weekly pay, while employed, was low, gross £32 a week; but their present average income amounted to only £17 a week. These men could obviously be described as poor and underprivileged.

Almost all respondents experienced financial and social hardship, feelings of helplessness, hopelessness and boredom. The majority claimed to be anxious to obtain work - almost any work; they had endeavoured to get jobs by means of friends, newspaper advertisements, direct enquiries to places of work, the Unemployment Exchange and National Manpower Service. Only a small number, however, (13 per cent) had taken special educational or training courses to qualify for alternative employment and those who had, did not seem to have been able to use the training successfully, as they did not obtain employment even with the added skills.

There was no evidence in the sample of social welfare payments being a disincentive to work. All respondents claimed to want work even those in receipt of redundancy and pay related benefits. This may be due to the prevailing high unemployment rate and the consequent fear of long-term unemployment.

The prime object of a pilot survey is feasibility. In this case the short answer is that a definitive sample inquiry on these lines, i.e. using the same field force, much the same questionnaire,*much the same manner of compilation, would be successful. As already suggested, definitive inquiry should extend to women and to farmers and their relatives. The LR falls far short of covering all those "able and willing to work but unable to find suitable employment", including, the under-employed. On the other hand, the LR has the inestimable advantage of including all the unemployed paid by the State and a prime objective (but by no means the only one of this research) is to reduce the number on the LR, to release large sums of money which could be better spent.

The strictly factual findings are not surprising, which does not mean that the survey should not have been undertaken. There could be little confidence in any policy proposals to alleviate unemployment without a survey, which, incidentally, merely ekes out the great deal of information already available, mainly statistics and analysis thereof.

The main result of the survey may be impressionistic; but these impressions will have major effect on what is ultimately proposed. Before starting, it was felt possible that, in view of the increases in UB, UA, and other benefits, together with increases in taxation in the form of social security premiums, the unemployed had become reasonably well-paid members of our society. The survey has indicated that this is far from being the case. The long-term unemployed men in the sample want to work. There is little sign

*But no open-ended questions.

that an appreciable proportion have come contentedly to regard being out of work as a way of life. As one of us has previously suggested, the ideal (when we can afford it) is that everyone should have a "civil service type" lifetime contract with little difference in pay between being at work or out of work. This pilot survey does not show that, in Ireland, such an eventuality would result in a lower propensity to work on an appreciable scale. This is a very tentative suggestion, subject to check in, perhaps, a definitive survey.

6. The Daniel and Sinfield Surveys

In several respects these surveys have similarities with ours. Brief comments on them may therefore be of interest. A National Survey of the Unemployed by W. W. Daniel, published by PEP, London 1974 was the first national survey of the unemployed ever conducted in the UK. It was designed to obtain information on the characteristics of the unemployed, the proportion of those registered who were not effectively in the labour market, the costs of being unemployed and of being re-employed possibly in jobs of a lower quality, the effectiveness of the public employment service in helping to find jobs, attitudes and experience regarding retraining and job mobility. A nationally representative sample was selected of almost 1,500 unemployed workers on the Department of Employment's register of the unemployed.

The conclusions drawn from the survey were that generally the greater number of the unemployed were male manual workers, who had little or no means of support other than social welfare benefits and who were most anxious to find employment. Non-manual workers who were unemployed tended to be older workers, effectively retired. Managerial and professional and other non-manual workers were heavily under-represented among the unemployed in comparison with their proportions in the working population.

Age appeared to be a very important factor in the results. Older workers had great difficulty in finding jobs, could usually get jobs only of a lower category than their normal work and were likely to become unfit and to drop out of the labour market altogether; this was true regardless of training, skills, qualifications or sex. The report stresses the necessity for developing special provisions for older workers, particularly re-training, counselling and legislating against age discrimination by employers. Protection against unfair dismissal is recommended, also the confining of redundancy pay to younger more mobile workers and the protection of older workers' jobs.

The results of the PEP survey differ from ours; they found that 22 per cent attached little importance to finding jobs, whereas the present study found that 87 per cent of the unemployed would take any work, even though it was different from their usual job; the remaining 13 per cent were anxious to work but would prefer to get the kind of job to which they were accustomed. Such claims may be viewed with some scepticism as those on the live register must be available for work and will be disqualified from obtaining unemployment benefits if an offer of suitable employment is refused. The survey has shown, however, that the longer-term unemployed are financially hard up with an average total income of £17 a week (60 per cent had an income between £10 and £29 a month); it would appear reasonable that people on such low incomes would want to work.

Data was collected in ten countries for a study entitled "The long-term unemployed" by Adrian Sinfield published by the OECD 1968; these were Austria, Belgium, Canada, Denmark, Germany (FR), Ireland, Norway, Sweden, the United Kingdom, the United States. The definition of long-term unemployed was applied to people who were out of work for six months or more.

It was found that the duration of unemployment was greatest for all unemployed in times of high general unemployment. Long-term unemployment may be affected by geographical and seasonal influences. Men experienced higher long-term unemployment rates than women; the proportion of older workers was high and increased sharply in the 5 to 10 years before normal retirement age. Married men with dependent children were least likely to become long-term unemployed. Unskilled labourers, service workers and clerical workers once they were out of work had a higher probability of becoming long term unemployed. Lower education levels, disability, a history of unemployment, all tended to diminish the opportunity for finding work. Sinfield concluded that the causes of long-term unemployment have not been sufficiently explored, to admit of any definite pattern. Types of long-term unemployment, however, can be identified, e.g. permanent displacement due to closure of firms or obsolescence of skill, low-wage, low-skill jobs, disablement, prematurely retired, inexperienced young workers, the discriminated.

The report described the poverty cycle associated with long-term unemployment, the feelings of hopelessness, the lack of public sympathy for the unemployed, the lack of positive policy in many countries to strengthen the position of the workless. The importance of adequate social welfare payments and assistance to maintain the health and working ability of the unemployed and to protect their families has not been fully appreciated by most countries.

The report recommends that the operations of official employment services should be examined particularly in relation to co-ordination between such services and assistance agencies and consideration of services from the user's point of view.

It was found that there are great statistical gaps in unemployment data in all ten countries surveyed. The most urgent requirement seemed to be the regular publication of estimates of the size of long term unemployment and the characteristics of the long-term unemployed.

Although both the PEP and OECD surveys found a high proportion of older workers in their samples, our Irish pilot sample did not show greater representation of older workers than their numbers in the general population - 30 per cent under age 29 were unemployed, 40 per cent aged 30-49 and 30 per cent aged 50 and over.

II National Manpower Service Surveys Summary

The surveys of which the results are analysed here were carried out by trained interviewers appointed by the National Manpower Service under the Regional Directors of the Service. Most of these surveys were designed to obtain for the Industrial Development Authority as accurate an estimate as possible of the number of people available for work near specified towns. That each survey was conducted as it was required accounts for the fact that surveys were not more-or-less simultaneous, as would have been desirable from the statistical point of view. However, as Table 1 shows, all were carried out in 1974, most before the recent great rise in unemployment started. The catchment area for each of the thirteen surveys specified in Table 1 was a set of contiguous District Electoral Divisions containing the town specified, extending generally to some ten miles from the town, i. e. covering an area that persons could travel to work in the town without undue inconvenience. It will be noted that these towns were all small: the picture that emerges is essentially that for the rural areas of the country. It is remarkable that each area was, in principle, surveyed completely. However, the thirteen areas cannot be regarded as a random sample from any definable sampling frame, in view of the manner in which the towns were selected.

It should be understood that the questionnaire was devised for a particular practical purpose, namely to identify persons aged 15 or over individually available for work, and their relevant particulars. This means that inquiry falls short of what would be needed for a fully-structured social and economic research into job seekers.

Table 4.2 shows that the total population in the thirteen catchment areas in 1971 was 207,000 of which job-seekers number 6,900, or about one-thirtieth of the population. It happens that number of job seekers is of the

same order of magnitude as the number of the Live Register (6, 100) in the local offices of the Department of Social Welfare located in the catchment areas, the LR of each being taken at the time of its NMS survey. This similarity in total is fortuitous, as the indexes in column 9 makes clear: they range from 1.75 to 0.23; furthermore, as the analysis will show, the proportion of persons described specifically as "unemployed" is only a fraction of the total number of job-seekers; we do not know why. It is a pity that the questionnaire did not ask "Are you at present on the Live Register?" This question might be included in any continuation of these surveys, though we understand that it was deliberately excluded as it might be interpreted as questioning entitlement to UB or UA.

The analysis that follows concerns itself with the aggregate number of job seekers, with no distinction of individual areas. We understand that it is the intention of NMS to issue separate reports for each catchment area surveyed.*

The aggregate computer analysis extends to 7,571 job-seekers, compared with the 6,933 Table in 4.2. NMS has kindly furnished us with an explanation of the difference: the results of a new survey and small extensions of surveys mentioned in Table 4.2 account exactly for the difference. We are glad, of course, to have the larger number, as affording the firmer statistical base. As in part I, nearly all figures are percentages as though not so described.

Simple Categorization

Of the total of 7,571, (=5,385m + 2,186f) percentage of males was 71, females 29. Percentages willing to take production line jobs were 87 for males, 82 for females. As regards work-time, first preferences were proportionately as follows:

*At the moment of writing eleven reports have been published by NMS and two are with the printers.

	M	F
Shift work	13	8
Full-time day work	75	52
Part-time day work	7	35
Occasional or seasonal	5	5
No preference	0	0

As we shall see further, domestic duties of housewives are mainly responsible for women's preference for part-time day.

Distance of residence from towns

Miles	M	F
0-2	15	29
3-5	17	17
6-10	38	32
11-15	19	15
16-	11	7

Women job-seekers live nearer town than do men. It will also be recalled that women are proportionately fewer in rural areas, i. e. away from towns.

Clearly the town is envisaged as the factory site or other place of work.

We shall give this distance of work from residence some attention as having an interest beyond our immediate purpose.

Work-time first preferences for females in relation to distance are as follows

Miles	Shift	Full-time day	Part-time day	Seasonal	Total *
0-2	12	35	50	3	100
3-5	8	52	36	4	100
6-10	7	58	29	6	100
11-15	4	68	22	6	100
16-	4	67	22	7	100

The sharp decline in the percentage for part-time day with increasing distance will be noticed. The showing of the corresponding figures for males is quite different, in fact distance has little effect on work time preference: the full-time day percentage is 72 for distance 0-2 miles and 74 for 16 miles and over. The similarity of the percentages for females at distances 11-15 miles and 16 miles or over shown above is also apparent from the male figures: distance doesn't matter in work-time preference after a certain point. Incidentally the regularity of percentages here and elsewhere gives confidence in the reality of these statistics, essentially bearing on attitudes, as distinct from facts.

Obviously related to distance is anticipated mode of transport. This differs considerably for men and women

Mode of transport	M	F
Public	4	6
Lift	14	20
Motor (private)	45	19
Cycling	5	5
Walking	8	21
"Don't know", other	24	30

Obviously the lower percent for motor and higher for walking for women is related to shorter distance of home from town. The low percentages for public transport will be noted.

While, for both men and women, there is a strong relation (as indicated by chi-squared - see Table 4.3) between distance and mode of transport, this is by no means simple. Certainly the last category above ("don't know," other) increases steeply and regularly with distance and, of course, "walking" is practically confined to distance 0-2 miles. What is curious is that the percentages for the principal travel mode for men, namely by motor, does not change regularly with distance. At a lower level the same

is true for women. For both, propensity to travel by private motor is highest at distance from home 3-5 miles.

The proportionate number of male and female job-seekers with no previous experience was nearly the same at 23 per cent. The percentages were much lower for those living near towns, 15 and 14 respectively.

Fewer than half the applicants worked in a factory before with the female percentage the larger: 27 per cent for males, 36 for females. In both cases the figures were larger for residence near towns.

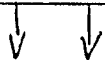
As always, one finds the educational level for females higher than for males

	M	F
Primary	62	50
Vocational	23	21
Secondary	14	26
Third level, other	1	2

For males the nearer town the higher the proportion for post-primary as might be expected. But the opposite is true for females: percentage post-primary distance 0-2 miles 48, distance 16 miles or over 59. One recalls that the OECD Report on Investment in Education found that the social group (other than professionals) with highest participation in post primary education was farmers' daughters.

While, for both males and females the relation between ages and distance of town from home is highly significant (by chi-squared) the pattern is irregular. For men, for instance, percentage (19) of applicants aged 45 or over is the same for distance 0-2 miles as for 16 or more miles. It is true that the percentage for females diminishes but not in a marked manner.

Education training and work experience



Crude level of education percentages for males and females

have already been given. About the main distinguishing feature between those

willing and not willing to accept a production line job is level of education: In each of the four categories specified, numbers with post-primary education as percentage of total are

	M	F
Willing	36	44
Not willing	55	79

The well known progression with age is borne out by the following post-primary percentages

Age	M	F
15-19	77	83
20-24	53	59
25-34	30	49
35-44	15	33
45-54	9	24
55-64	<u>4</u>	<u>15</u>
Total *	38	49

* Including not specified

An obvious point: as better educated, young people have better prospects than have older people in the job market, ceteris paribus.

For both male and female applicants 23 per cent had no previous employment experience. Of the 77 per cent who had, following are the post-primary percentages classified by type of occupation. Proportions in each type are also shown

Type	Percentage post-primary		Percentage of total	
	M	F	M	F
Supervisory, professional	50	82	2	6
Clerical	76	93	2	13
Skilled	50	48	14	5
Semi-skilled	47	44	20	36
Unskilled manual	<u>26</u>	<u>36</u>	<u>62</u>	<u>40</u>
Total *	35	51	100	100

*Including not specified, with previous occupation

Amongst applicants, those in the "highest" grade shown are not the best educated.

That the largest proportions are for unskilled exacerbates the problem of finding work.

Amongst females the percentage post-primary who ever worked in a factory is much lower than amongst those who did not, 37 compared with 58. The difference is not significant for males, about 40 per cent in each case.

Amongst male job-seekers those with special training or skills were 26 per cent and females 31 per cent of their respective totals.

Educationally the two classes compare as follows

Special training	Percentage post-primary	
	M	F
Yes	51	66
No	34	57

Amongst males who worked in a factory the special training percentage is much higher than amongst those who had not, 36 compared with 23. At about 30 percent there is no significant difference for females, i.e. between those who worked in a factory and those who did not.

Male job-seekers who have been apprenticed are 6 per cent of all male job-seekers. The proportion amongst those who did not want a production line job was far higher than amongst those who did, 18 compared to 5 per cent, presumably because production line jobs are mainly semi- or unskilled while those apprenticed are skilled. The percentage apprenticed amongst females was negligible. The 23 per cent males who attended vocational school had by far the highest apprenticeship percentage, namely 13, amongst educational categories.

There is some interest in comparing job aspirations with experience. This can be done only for those who did not want a production line operative job in a factory, namely the 13 and 18 percent for male and female job applicants.

Type	Male		Female	
	a	b	a	b
Supervisory, professional	4	6	14	11
Clerical	4	10	36	58
Skilled	32	36	6	5
Semi-skilled	19	16	20	12
Unskilled manual	41	31	25	13

a: type of job in previous experience

b: " " " desired

In each case one notices the wish to swing away from the unskilled.

Percentage distributions according to present occupational status

for (i) all ages and (ii) under 25 years of age are as follows

Present occupational status	All ages		Under 25	
	M	F	M	F
Farmer	24	1	11	0
Farmers' relative assisting	13	3	18	4
Casual, temp. worker	18	8	21	11
Self-employed	4	1	4	1
Unemployed adult	27	17	28	24
Unemployed sch. leaver	6	9	9	15
Housewife	-	54	-	34
Other	8	7	9	10

While "unemployed adult" is the most numerous category it constitutes but a small fraction of job-seekers. Many unemployed must be concealed under other heads. We give separate figures for the under 25 age group as likely to be of most interest to possible employers.

Sex, age, conjugal condition of applicants

Ireland's proportion of women in the labour force (31 per cent for non-agriculture in 1971) is low, yet the sample proportion of job-seekers is not very different, 29 percent. Lest it be inferred that this is a harbinger for no increase in the percentage of women in the labour force it should be remembered that the sample relates to small town-rural areas. The large town areas have higher proportions of women in the labour force, e.g. Dublin 36 percent in 1971.

Broad age-marital percentages for job-seekers are as follows

Age	Total	Male	Total	Female
		Single % total		Single % total
15 - 24	41	95	40	87
25 - 44	38	50	36	17
45 -	21	28	24	9
Total	100	64	100	43

The proportions by age are much the same for males and females, namely two-fifths, two-fifths, one-fifth in the three age groups. While there has been recently a great increase in the marriage rate, the once notoriously low marriage rate is reflected in the high figure of 28 percent obtaining for the older cohort of males aged 45 or over.

Amongst women, job-seeking is emphatically not the preserve of the unmarried, for it will be seen that five-sixths of women aged 25-44 are married.

Relationships

The computer produced a great number of analytical tables of type A x B designed to indicate probable relationship, (or, what may be equally important) absence of relationship, using chi-squared. As a specimen of the type of table we reproduce the following for males

2 (a) Would you take a production line job?	3 Work-time (first choice)					Row
	No pref.	Shift	Full-time day	Part-time day	Seasonal etc.	Total
Yes	6	623	3,483	349	222	4,683
No	3	60	548	57	34	702
Column total	9	683	4,031	406	256	5,385

Chi-squared = 15.6 with 4 d.f.

Using Table 8 in Biometrika Tables for Statisticians, Volume 1 (edited by E. S. Pearson and H. O. Hartley) and working to one-sided null-hypothesis probability points (for 4 d.f. P.05: 9.5; P.01: 13.3; P.001: 18.5) we accord the foregoing the star-score xx. The computer also provides row and column percentages helpful for appraisal of reasons for an aberration (i.e. a high value of chi-squared, if any): see remarks column of Table 2. Throughout all the tables males and females are separated, i.e. in every case tables are identical in

form for both. It is difficult to give a coherent account of such a mass of material but we must try - see Table 4.3. Titles of factors are necessarily abbreviated: the full version will be ascertained by reference to the form reproduced as Appendix A via the number code.

We have little to add to the showing of Table 4.3. As we found in the case of our own survey the results of these NMS surveys are much as would be expected, which is reassuring from the statistical point of view. In many cases also the magnitude of chi-squared is revealing in indicating strength of relationship.

Table 4.2: Number of job-seekers and other particulars in each of thirteen catchment areas and total

Catchment Area	Fieldwork month 1974	Job-seekers		Total	Population 1971 (000)	Total Live Register	Col. 5	Col. 7
		Male	Female				Col. 6	Col. 5
1	2	3	4	5	6	7	8	9
1. Birr	June	193	151	344	20.6	308	.017	0.90
2. Buncrana	July	717	134	851	20.9	1,493	.041	1.75
3. Listowel	Aug.	639	228	867	21.0	689	.041	0.79
4. Kenmare	"	440	165	605	7.0	153	.087	0.25
5. Swinford	"	475	205	680	14.3	464	.048	0.68
6. Clifden	"	341	121	462	5.4	448	.085	0.97
7. Skibbereen	Sept.	442	195	637	16.2	147	.039	0.23
8. Cavan	"	355	151	506	26.1	389	.019	0.77
9. Ballyshannon	"	187	90	277	9.4	253	.030	0.91
10. Manorhamilton	"	414	89	503	9.5	457	.053	0.91
11. Duhallow	Oct.	302	190	492	21.5	540	.023	1.10
12. Arklow	Nov.	261	186	447	16.9	451	.026	1.01
13. Monaghan	Nov.-Dec.	181	81	262	18.5	313	.014	1.19
Total	June-Dec.	4,347	1,986	6,933	207.1	6,105	.033	0.88

Table 4.3: Two factor associations with indication of significance.

No. code	Short title	No. of tables	Significance		Remarks
			M	F	
2A xx	<u>Production line job x</u>				
3	Work time preference	2	xx	xxx	F: No for 2A would prefer full-time day.
3 x 4A	" " " x distance	10	a	a	Distance does not matter much in work time preference.
3 x 4B	" " " x mode of travel	16	a	a	No definite showing for any of 16.
5B	Previous type of work	2	xxx	xxx	M: No for 2A high in skilled for 5B. F: " " " " " clerical for 5B.
6B	Period spent in factory	2	xxx	x	F: Yes " " " " year or more in factory for 6B.
9A	Apprenticeship	2	xxx	b	M: No for " " " apprenticeship (9A).
11A x 13	Age x present occupation	8	a	a	No definite showing for any of 8.
3 x 14B	Work time preference x no. children - No children	1	n. a.	xxx	F only. Single included, No for 2A high full time day.
	One or more children	8			No chi-squared significant for any of 8.
2B x	<u>Non-production line job x</u>				
7B	Special training	2	xxx	xxx	Very large chi-squared, due to association between job desired and training (e.g. clerical).
8	Education	2	xxx	xxx	Very large chi-squared, due to obvious association between job desired and education.
8 x 11A	" x age	16	xxx	xxx	Very large chi-squared for nearly all ages.
3 x	<u>Work time preference x</u>				
11A	Age	2	xxx	xxx	Very large chi-squared. Younger applicants prefer full-time day.
13	Marital status	2	xxx	xxx	Very large chi-squared for F who, when married, prefer part-time day.

Table 4.3 (continued)

No. code	Short title	No. of tables	Significance		Remarks
			M	F	
4A	<u>Distance of home from town x</u>				
4B	Mode of travel	2	xxx	xxx	Chi-squared very large, Association obvious.
5A	Previous experience	2	xxx	xxx	Chi-squared large. Short distance, most experience.
6A	Ever work in a factory?	2	xxx	xx	Chi-squared much larger for M. "Didn't" larger for longer distances for M.
8	Education	2	xxx	x	M: primary larger, post-primary smaller the greater the distance from home.
11A	Age	2	xxx	xxx	M: Irregular effect. F: % older the less, the greater the distance.
12	Present occupation	2	xxx	xxx	M: farmers live far from towns. F: housewives wanting jobs live nearer towns.
13	Marital status	2	x	xxx	F: the longer the distance, the larger the percentage single.
4B x 11A	Mode of travel x age	2	xxx	xxx	While chi-squared is large, effects irregular, but, for F, when young low on walking, high on lifts.
5B x 6A	Previous type of work x Ever work in factory?	2	xxx	xxx	Chi-squared very large, For those who worked in a factory, % semi-skilled high.
5B x 8	Previous type of work x education	2	xxx	xxx	Chi-squared very large, Clerical and other.
6A x 7A	Ever work in a factory x Special training (Yes, No)	2	xxx		Non-manual high in post-primary.
	Ever work in a factory x Education	2		xxx	Chi-squared very large for M but insignificant for F.
7A x 8	Special training x Education	2	xxx	xxx	Primary percentage very large for F who had factory experience. Chi-squared for M insignificant.
8 x 9A	Education x Apprenticeship (Yes, No)	2	xxx		Chi-squared very large. For both M and F, higher training, higher education level.
12 x 13	Present occupation x marital status	2	xxx	xxx	M: apprenticed high in vocational school. Chi-squared extremely large for M and F for obvious reasons, e. g. home duties and married for F.

Notes

a: All chi-squared values low, though some formally "significant". b: negligible

M: Males, F: Female

Significance (null-hypothesis one-sided probability P):-

xxx: $P < .001$

xx: $.001 \leq P < .01$

x: $.01 \leq P < .05$

SECTION 1 - ATTITUDINAL

Q.1 Would you take a job in town if one were available? Yes: 1
No: 2
If "YES" - Go to A.2(a)
If "NO" - CONCLUDE INTERVIEW

Q.2(A) Would you take a "production line" operation job in a factory? Yes: 1
No: 2
If "NO" - Go to Q.2(b)

Q.2(B) If "NO" to Q.2(a) What kind of a job would you take?
(P) Name and Description

- No applicable x
- Unskilled Manual Outdoor c
- Unskilled Manual Indoor 1
- Semi-skilled Outdoor 2
- Semi-skilled Indoor 3
- Skilled Outdoor 4
- Skilled Indoor 5
- Non-manual/Clerical 6
- Supervisory 7
- Managerial and/or Professional 8
- Other - Please specify 9
- Don't know 0

Q.3 Would you be available for? Please rank in order 1 - 4. If considered "Definitely Not Suitable" Please enter zero in box.

(A) Shift work (including nights)

(B) Full-time day work

(C) Part-time day work

(D) Occasional or seasonal work

Q.4(A) How far do you live from town? In miles

Q.4(B) How would you travel to work?
(P) Walk 1
Bicycle 2
Motorised (own car - scooter - motor bike) 3
Lift 4
Public Transport 5
Other - Please specify 6
Combination of any above 7
Don't know 8

SECTION 2 - WORK EXPERIENCE AND TRAINING

Q.5(A) Have you had any previous employment experience? Yes: 1
No: 2
If "Yes" go to Q.5(a)
If "No" go to Q.6

Q.5(A) If "YES" - At what did you mainly work?
(P) Name and exact description

- Not applicable x
- Unskilled Manual Outdoor c
- Unskilled Manual Indoor 1
- Semi-skilled Outdoor 2
- Semi-skilled Indoor 3
- Skilled Outdoor 4
- Skilled Indoor 5
- Non-manual/Clerical 6
- Supervisory 7
- Managerial and/or Professional 8
- Other - Please specify 9
- Don't know 0

Over

- Q.6(A) Have you ever worked in a factory? Yes: 1
 No: 2
 If "YES" - Go to Q.6(b)
 If "NO" - Go to Q.7
- Q.6(B) Have you worked in a factory for?
 No applicable X
 Less than 3 months 1
 3 months - 12 months 2
 1 year + 3
- Q.7(A) Do you have, or are acquiring any specialised training or special skills? Yes: 1
 No: 2
 If "Yes" - Go to Q.7(b)
 If "No" - Go to Q.8
- Q.7(B) Please specify:
 Exact Description
- Q.8 What was the last level of education you attained?
 Primary level 1
 Vocational level 2
 Secondary level 3
 Third level 4
 Other 5
- Q.9 Have you done an "apprenticeship"? Yes: 1
 No: 2
 If "yes" - Probe Go to Q.9(b)
 If "no" - Go to Q.10
- Q.9(B) If "yes" - Please specify
 Exact Description
- Construction 1
 - Furniture 2
 - Engineering 3
 - Motor 4
 - Printing 5
 - Electrical 6
 - Dental Craftsmen 7
 - CERT 8
 - Other - Please specify 0
 - 0
 - Not applicable X

SECTION 3 - CLASSIFICATION (PERSONAL DETAILS)

- Q.10 Name
 Address

 D.E.D. Code
 Sex Male 1
 Female 2
- Q.11 Age 15-19 1
 20-24 2
 25-34 3
 35-44 4
 45-54 5
 55-64 6
 65+ 7
 Refusal 8
- Q.12 Present Occupation
 Farmer 1
 Farmer's relative assisting 2
 Casual/Temp. worker 3
 Self-employed 4
 Unemployed adult 5
 Unemployed school-leaver 6
 Housewife/Widow/Housekeeper 7
 Other - Please specify 8
- Q.13 Marital Status Single 1
 Married 2
 Widowed 3
 Other 4
- Q.14 If married Female or Widow
 ASK: Do you have any children for whom supervision/care would have to be arranged if you went to work?
 Yes: 1
 No: 2
 If "Yes" Actual No.

Chapter 5

ECONOMETRIC ASPECTS

The chapter consists of two parts I a simple model, based on a chart of three graphs and II the COMET model of EEC. Neither will be shown to hold the smallest prospect of the realisation of full employment with low net emigration, without a drastic change of policy and outlook.

I A Simple Model

Our first approach is so simple as scarcely to qualify as "econometrics" at all, though one of us has always insisted that econometrics encompasses simple methods - the simpler the better. In fact, this approach is based almost solely on the accompanying chart.

The chart is deliberately confined to the period 1958-1973, i.e. the recent years of depression are excluded. The data, in principle, relate to the economy outside of agriculture, forestry and fishing (AFF) except for I (gross fixed capital formation) which relates to the whole economy: it was scarcely worth while trying to exclude AFF, since correct figures would be certain to show much the same percentage changes, with which only we are concerned here.

(Chart here)

The differences in trend in the three variables is enormous. To the eye at least, it is satisfactory that the log versions are so close to linearity. The eye can also detect changes ca. 1965-1966, particularly evident in the I graph: the year-to-year changes become more irregular in the later period.

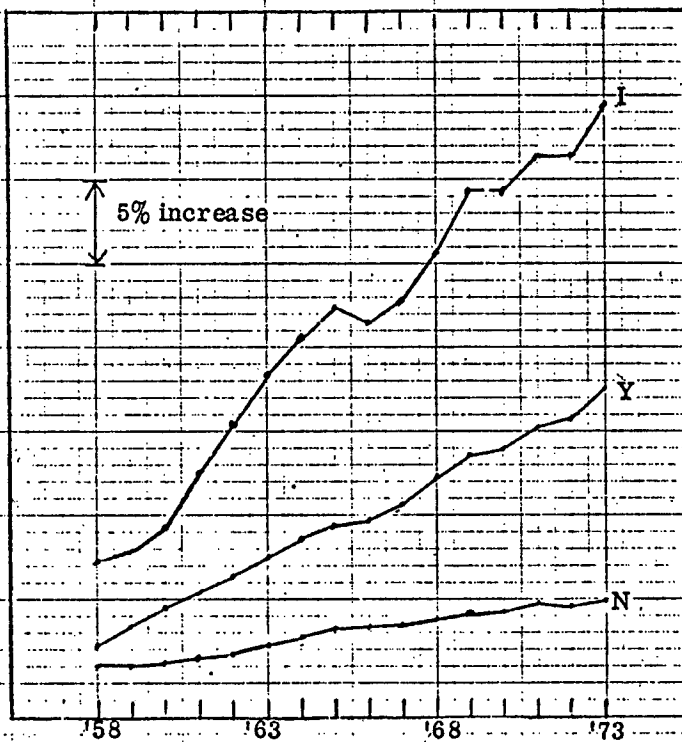
To eliminate accidental variation in the single year figures, five-year averages as used at the beginning and end of the 1958-1973 period may be regarded as 1960-1971. The annual average percentage changes in the three variables in the eleven years were as follows:-

	%
I	9.04
Y	4.65
N	1.38

B. M. Walsh's projections (implying full employment for Ireland in 1986, assuming, in fact, an unemployment rate of 4 per cent and two assumptions as regards annual net emigration, namely of 5,000 and zero)

pertaining to the non-family farm population at work (i. e. closely similar to N) imply a "low" and a "high" estimate of annual average percentage growth in this population in the period 1971-1986, of course not allowing for the depression, as with N above. Walsh's percentages are 2.10 and 2.34.

We shall not be so naive as to have recourse to simple proportion to estimate what Walsh's percentages imply, i. e. to pose the question in this form: if an increase in N of 1.4 per cent implied percentage increases of 4.7 in Y and 9.0 in I, what would these percentages have to be to secure an increase of 2.1 per cent (to say nothing of the 2.3 per cent) in N? Without citation of actual percentages required for Y and I, we can confidently state that they would be far and away in advance of any contemplated for Irish economic development in the future, adhering to methods and outlook of the recent past. They would imply a great increase in Irish exports (already with a high ratio to GNP) since the home population, though increasing, will be small. The rapidly increasing per cent per annum would imply greatly increased rate of foreign investment in Ireland. We do not see any prospect of the Irish economy as operated at present levels and with present policies ever achieving full employment in Ireland.



I = Gross domestic fixed capital formation at constant prices

Y = Non-AFF factor cost GDP at constant price

N = Number at work in non-AFF

Vertical scale logarithmic. Same change scale (as indicated) for three graphs.

1958

'63

'68

'73

II. The COMET

The COMET model,^{*} the essentials of which will presently be described, holds a dismal future for Ireland's unemployment, as Table 8.1 shows.

Table 5.1. Simulation of unemployment rate (U) from COMET for EEC countries, 1973-1980, with annual averages 1976-1980.

Year	D	F	I	NL	B	UK	IR	DK
1973	2.9	1.7	4.1	0.8	1.0	2.5	7.2	1.1
1974	3.1	1.6	6.3	1.5	1.3	2.0	9.5	1.4
1975	4.1	1.5	5.4	2.1	3.1	2.0	11.2	1.6
1976	4.1	1.3	6.6	3.4	4.4	2.0	12.7	2.0
1977	4.2	1.3	5.9	4.2	5.3	2.0	14.0	2.5
1978	3.2	1.0	6.6	4.7	5.5	2.3	14.9	2.7
1979	2.0	1.0	6.3	5.0	5.5	2.8	15.8	2.6
1980	0.9	0.9	6.9	4.9	5.3	3.4	16.5	2.3
Average 1976-1980	2.9	1.1	6.5	4.4	5.7	2.5	14.8	2.4

* Source: A. P. Barten, G. d'Alcantara and G. J. Carrin, "COMET: A medium-term macroeconomic model for the European Economic Community" European Economic Review, Volume 7, No. 1, January 1976.

Notes

$U = (NA - N) / NA$, NA = Available labour, N employed labour, in million man years.

D = Federal Republic of Germany

F = France

I = Italy

NL = Netherlands

B = Belgium

UK = United Kingdom (incl. NI)

IR = Ireland

DK = Denmark

The figures in Table 5.1 would be unacceptable if the model were unreliable as regards Irish unemployment or if future economic and social policy were changed drastically compared with that of the estimation period of the model, roughly 1954-1971, though the period varies for the different equations. The

1976-1980 averages for the unemployment rate are twice as high as for Italy, sometimes compared with Ireland, six times as large as those of our main trading partner and, at a high level, constantly increasing.

Description of the Model

The model is stated to have been developed under contract with the EEC Commission (whose staff members helped in making it) but the Commission is not responsible for the views expressed in the article (noted at foot of Table 5.1). It is stated, indeed, that the model differs in some coefficient values and in the assumed future time path of exogenous variables from the version in use in EEC. One assumes that these differences would not materially change the showing of Table 5.1. If this be accepted, Ireland must be regarded not only as the poorest partner at present, but likely to get relatively worse and to remain a perpetual burden on the charity of the other members of EEC, a situation surely not consonant with the national dignity unless, of course, the figures in Table 5.1 are wrong for whatever reason.

We first give a short description of COMET. It is by far the most elaborate general economic model ever produced for Ireland.* We may state, at once, that the methodology of the model is admirable from the purely economic and statistical points of view. In Table 5.2 we reproduce a table from the article listing the variables in the model. There are several other variables

[Table 5.2]

introduced into the equations, usually as auxiliaries in process of deriving final equations, i.e. those actually estimated.

There are 62 equations in all, 30 to be estimated and 32 identities. Most of the estimated equations are of the log-linear type, very convenient (as regards linearity) even for some of the identities, e.g.

* Some others are:-
Geary, Henry, Simpson, Walsh-others?

Table 5.2 Symbols for main variables (alphabetic list).

CGO, CGU, PCG	Public consumption
CPO, CPU, PC	Private consumption
DPU	Depreciation
DTC	Direct taxes on corporations
DUC	Degree of capacity utilization (1963-90)
e	Residual term
*EX	Exchange rate
*EXE	Auxiliary variable for flexible exchange rate
FDO, FDU, PFD	Final demand
FMO, FMU, PFM	Calculated total import contents
FSO, FSU, PFS	Final demand excl. variations of stocks
IO, IU, PI	Gross domestic fixed asset formation
*ITR	Indirect taxes minus subsidies, divided by YU
*LI	Long-run interest rate
MGO, MGU, PMG,	Import of goods (also with \$ suffix)
MGUxi	Import of goods of country x from country (also with \$ suffix)
MIO, MIU, PMI	Import of invisibles
MTO, MTU, PM	Import of goods and services including factor income
N	Total employed labour in millions of man-years
NA	Available labour in millions of man-years
ND	Occupied employees in millions of man-years
ON	Other income incl. profits of corporations
*POP	Total population in millions of man-years
*POPA	Population between the age of 15 and 65, millions of man-years
PWG	Competitive export price
PMIW	Auxiliary variable for PMI
*SI	Short-run interest rate
*SSC	Employers' contribution to social security
STO, STU, PST	Variation in stocks
*SUB	Subsidies
TBR	Trade balance in percentage of YU
UR	Unemployment rate
V	Capital user's cost
WBU	Compensation of employees
WR	Wage rate
XGO, XGU, PXG	Exports of goods (also with \$ suffix)
XGW\$	Exports of goods to non-EEC member countries
XIO, XIU, PXI	Exports of invisibles
XTO, XTU, PX	Exports of goods and services incl. factor income
YD	Disposable income of households and private non-
YN	National income at factor cost
YO, YU, PY	Gross national product at market prices
*t	Time trend (1953 = 1)

Source: See Table 8.1

Notes

U at end means that symbol is a value at current prices; O at end means value at constant prices; P at beginning means price index. R at end means rate. Asterisked items are exogenous, the rest when current are endogenous.

$$\ln PY_t = \ln 100 + \ln YU_t - \ln YU_t - \ln YO_t.$$

But not for all identities, e.g., the plain linear

$$FDU_t = YU_t + MTU_t$$

The result is that the whole system had to be regarded as non-linear, to be solved (i.e. for estimating the coefficients in the 30 equations) by iterative methods, the Gauss-Seidel algorithm being generally used.

Several of the equations had initially time-lagged RHS variables with coefficients in geometric progression (i.e. Koyck-type). These were transformed by the familiar process, i.e. by introducing the LHS variable (i.e. depvar) lagged one year. Partly because of this transformation, the coefficient system was non-linear.

As a result, no doubt, of this non-linearity, the system was not solved using FIML. Instead, each equation was estimated separately, using OLS regression. FIML, if it were conceivable in a nonlinear situation, would result in consistent and efficient estimates of the coefficients. Since Geary (somewhat notoriously) holds that in time series analysis, estimates of individual coefficients are generally meaningless, recourse to single equation OLS is unobjectional provided it results in a good fit to the actual endo data, i.e. with high R^2 and values of DW or tau near residual non-autoregressed values. Admittedly these tests lose their force when one includes the depvar lagged one year amongst the indvars (or predetermined variables), as one sometimes does with this system.

Acceptability of Model Forecasts for Ireland

Most of the 30 behavioural equations are set up using very thoroughgoing economic rationalisation, sometimes through several intermediary equations; indeed, if anything, the approach is over-meticulous, having regard to the statistical quality of the basic data and the resulting equations, as adjudged by goodness of fit. Almost all the equations are in the form of a

single current depvar on the LHS and the selected explanatory variables on the RHS i.e. each equation is a cause-effect statement.

An interesting aspect of some of these intermediate equations is their being regarded as non-stochastic, i.e. exact, logically enabling the analyst sometimes to solve them for a RHS variable.

A feature of the model, much to be commended, is the small number of current exogenous variables, as well be seen from Table 5.2. Even so, it is the stated intention of the compilers to reduce these still further in new versions of COMET.

There are many other interesting features of the model that we would like to mention but this might lead us too far afield. COMET well merits the attention of econometricians for its methodology and economists for its results.

As to the acceptability of COMET for forecasting Irish economic data we observe first that the observation years, approximately 1954-1971, for coefficient estimation is not too well suited for Ireland, since the period of 18 years includes two quite different epochs 1954 - ca. 1960, ca. 1960-1971. In fact, 1960 was a take-off year for the Irish economy, if not indeed for employment. Also, the activities of the IDA intensified after 1971 (?).

In Table 5.3 we compare the deviations of the estimates for Ireland from the model with the average absolute deviations for seven other EEC countries during part of the estimation period (including 1972 though this year was only occasionally in the estimation periods which, as already stated, were generally different for each equation estimated).

[Table 5.3]

Table 5.3 shows that generally the fit of estimated to actual is poor for Ireland. It is true that for five of the fifteen variables (on both A and P bases) the Irish fit is near or better than the average: it is mildly interesting that three out of these five are price indexes. Unfortunately, the remaining ten contain the more important variables. It may be enough to cite the first and most important. YO - namely, GNP at constant prices.

Does the fact of poorness of fit of estimated to actual disqualify COMET for assessment of the near future of unemployment in Ireland? What any forecasts (or "simulations" as our authors call them) of this type are doing is saying (speaking in ca. 1971) that "according to our knowledge of the recent past, we expect the variables indicated to have the values given". This statement of faith implies that the coefficients, in the various equations in reduced form, estimated from data in the recent past, will apply with little change in the future. This hypothesis is rarely true: the coefficient estimates are based on the data for only a few years and are therefore subject to large random sampling errors. But there is a larger formal source of error (which applies particularly to the showing of Ireland in Table 5.3), namely that for any given future year of estimation there is no possibility of eliminating the error of estimate of extrapolation of the depvar, i.e.: the standard error estimated by s during the estimation period. This error source transpires however long the period of estimation.

In simpler terms these forecasts are not prophecies. They are policy instruments. They purport only to show what is likely to happen if policy

Table 5.3. Comparison of absolute values of percentage deviations of estimated values from actual values of specified economic variables during the estimation periods. Ireland v. average for other seven EEC countries.

Variable	Basis A		Basis P	
	7 - Average	Ireland	7 - Average	Ireland
YO	1.9	6.1	1.8	9.7
CPU	4.3	8.2	4.8	16.7
CGU	5.7	11.0	5.4	23.4
*DUC	1.2	3.3	1.5	1.2
IO	6.7	23.1	10.9	43.8
N	1.4	2.6	1.7	5.1
*UR	0.8	1.7	1.6	4.5
WR	4.5	7.3	5.3	14.8
PC	3.0	1.7	3.8	0.0
*ONR	0.9	0.6	1.4	1.3
XTU	5.6	2.6	6.9	5.8
PX	2.4	2.4	2.3	2.7
MTU	5.8	11.1	7.7	17.7
PM	2.3	2.2	2.1	1.3
*TBR	1.0	4.9	2.1	11.1

Basic source: See Table 5.1.

Notes

For variable code see Table 5.2.

Basis A: root mean square percentage deviation between actual and estimated values.

Basis P: P absolute value of percentage difference between actual and estimated values in year 1972.

These definitions of bases A and P apply only to non-asterisked variables. For asterisked variables, as rates already, actual figures were used, not percentage changes.

is unchanged. More often than not (as in the present case where Ireland is concerned) they are merely cautionary: unless you change your policy this or that undesirable thing is likely to happen. The calculations are usually made so that the forecasts (or simulations) will be found in the event to be wrong, as we fervently pray will be the case with the Irish unemployment rate forecasted.

The answer to the question posed is a somewhat qualified No. We would certainly wish the Irish forecasting formulae to have made a better showing in the estimation period. The results mean only that the Irish forecasts are usually to be regarded as having larger extrapolation errors than the figures for the other seven EEC countries. It will be noted from Table 5.3 that the fit for N (total employed labour) one of the variables involved in the estimation of U (the unemployment rate) is one of the less satisfactory. Though the showing of COMET for the future of the Irish unemployment rate is so decisive, we cannot reject it as a qualitative fact, though we may consider that the figures exaggerate the phenomenon, even given the hypothesis of no change from the estimation period. After all, COMET is not the only piece of evidence we have leading to the conclusion that something like a revolutionary change in policy and attitude (e.g. to mobility of labour) will be necessary to make a sizable impression on the unemployment level in Ireland.

The COMET estimates were made before the recent economic depression affecting all EEC countries. This has involved a near doubling of the number of unemployed in Ireland. In many countries (including Ireland) a grim view is taken of the possibility of reducing the number of unemployed, even by people who anticipate economic recovery in the near future. Even with interest rates of over 15%, labour is regarded as more expensive than capital, i.e. capital-intensive industry is more likely, autonomously, in the future than in the recent past (?).

The Exogenous Variables of COMET

A considerable merit of COMET is the fewness of the exogenous variables (deemed given for each year 1973 to 1980), in fact there are ten, eight national (EX-rate of exchange, SI and LI - short and long term interest rates, growth rate of SUB - subsidies, ITR - indirect tax less subsidies divided by GNP, annual percentage change in POP - total population aged 15-64). The two world variables, i. e. with common values for all countries are annual percentage rates of change for rest of world imports from, and exports to, EEC countries. One notes that the rate of exchange is the same for UK and Ireland, with no change during the period 1975-1980 (already falsified by events). Interest rates are assumed to be much the same in UK and Ireland, with Ireland a little higher. The Irish indirect taxes less subsidies rate is estimated to be the highest (about one-sixth of GNP) in 1973-1980 of the eight, but to be expected indeed from the poorest country in COMET. Employers' rate of contribution to social security in UK, Ireland and Denmark is taken to be far lower than for the other five countries.

The 0.7 per cent per annum growth rate for population during 1973-1980 is much below Walsh's estimates*. Britain's increase is assumed to be less than half of this, with population aged 15-65 decreasing. Ireland's assumed population increase is much the same as that for the remaining six countries. The postulated increase for population aged 15-64 is in all eight cases not greater than for total population, in Ireland in fact 0.6 per cent, which means, however, that the very large Irish dependency ratio is assumed to increase still further, if by a small amount, confirming an anticipation by Walsh.

* National Economic and Social Council Population and Employment Projections: 1971-86. Walsh's estimates (per cent per annum growth rates 1971-1986) were "low" 1.1, "high" 1.6, depending respectively on annual emigration of 5,000 or zero.

In the annual percentage rates of change of rest of the world imports and exports there are considerable changes postulated from year to year.

On the whole, we consider that the values assumed for the Irish exos are reasonable and the COMET cannot be faulted in this respect.

Consistency of the COMET Forecasts as Affecting Ireland

We are really looking for clues as to why the unemployment prognostics for Ireland are so unpropitious. It is true that the model does not behave well (in the statistical sense) for Ireland. We had considered setting up our own model much simpler than COMET (though not so simple as in part I of this chapter), encouraged by the experience of others in this field that sometimes simpler models give more satisfactory results than more complicated models. We did not do so because, as regards the unemployment rate the COMET results were so emphatic as to render it most unlikely that they would be negated by another model.

It is not enough for a model to show that the future unemployment rate, under conditions postulated, is likely to remain high. We must try to find out just where the weakness lies (over-shedding of agricultural manpower, too many children, industrial investment too capital-oriented, manpower insufficiently trained etc), though elementary analysis may serve us as well in finding answers.

[Table 5.4]

In Table 5.4 the U rate is that already quoted in Table 5.1.

Its comparative showing is consistent with the years increase in CPO (volume of private consumption) and a fall in IO (volume of fixed asset formation).

The rates of increase in export and import volumes (XFO and MTO) are lowest except

Table 5.4. COMET forecasts for EEC countries. Annual average percentage year-to-year change for certain economic variables*, 1976-1980.

Variable	D	F	I	NL	.B	UK	IR	DK
YO	5.6	5.0	5.3	4.2	3.1	0.8	2.0	5.1
CPO	4.2	4.2	4.5	1.8	0.1	0.6	0.0	3.5
PC	8.2	13.9	11.4	11.0	9.0	17.1	9.7	16.3
IO	7.4	6.8	9.5	6.0	3.4	1.2	-1.5	11.5
CGU	14.7	18.7	17.9	15.1	12.9	23.3	12.2	30.9
XTO	9.9	13.0	13.8	9.8	10.1	1.2	6.7	8.4
PX	11.1	7.3	7.8	9.9	9.5	13.4	11.1	11.4
MTO	9.8	12.1	15.8	8.5	7.6	3.0	3.2	12.0
PM	9.9	6.3	10.9	9.4	10.0	9.4	9.9	9.6
*TBR	13.2	0.3	-16.0	0.5	16.5	2.4	10.1	-1.8
N	1.3	1.0	-0.8	0.2	0.2	-0.8	-0.6	1.1
W	14.1	18.6	18.2	14.6	11.3	20.5	11.3	22.1
*U	2.9	1.1	6.5	4.4	5.2	2.5	14.8	2.4
*ONR	24.4	30.6	17.9	22.7	37.6	15.9	22.0	25.5
*DUC	97.7	90.5	90.0	90.5	87.3	91.3	76.1	96.4
POP	0.7	0.8	0.9	1.0	0.5	0.3	0.7	0.7
POPA	0.1	0.65	0.4	1.0	0.2	-0.1	0.6	0.7

Main source: see Table 5.1.

Notes

For country code see Notes to Table 5.1

For variable code see Table 5.2

Asterisked (*) variables: TBR = trade balance as percentage of GNP; U = unemployment; ONR = non-employee income as percentage of GNP; DUC = degree of capacity utilisation (with year 1963 as 90), as rates already are not percentage changes.

The last two variables (POP and POPA) are exogenous.

for UK, which indeed we not implausibly resemble throughout, though later we cite notable exceptions.

It is in the showing of rate of change in N (total employment), negative as in the case of UK and Italy, that we find the most useful clue to the high value of U for Ireland. From the last row of Table 5.4 we note that POPA (size of population aged 15-64) is to increase by 0.6 per cent in Ireland, compared with a fall in UK. We infer that, had the figures been available, NA (available labour) would make the same comparative showing. This is why the UK is slated to have so much a lower unemployment rate than Ireland. As one would expect from its N and its POPA figures, U for Italy is to be somewhere between Ireland and UK.

On this analysis, Ireland is expected to have a high unemployment rate because the rate of development of the economy will not be sufficient, on the showing of the recent past, to absorb the number looking for jobs. It is here we should remark that COMET has taken no account of the possibility of migration.*

It is hard to explain how the change in PC (consumer prices) is to be merely twice as high in UK as in Ireland. In the past these price trends have been closely similar, but with Irish price rises a little ahead of those of UK. The consumer price index has a considerable influence on the wage rate, W: real wages are to rise by only about 1.6 (= 11.3 - 9.7) per cent in Ireland but by 3.4 per cent in UK: it is true that UK unions with a lower unemployment rate would be in a stronger bargaining position.

It is not unexpected that Ireland is to have the lowest figure for capacity utilisation (DUC) since labour as well as capital slack is taken into account in its formula in the model. We have also remarked, however, that the volume of gross fixed capital formation is to decline for Ireland on annual average in the five years 1976-1980. Since in COMET the capital concept is

*One suspects that if B. M. Walsh's law on no emigration hypotheses had been used in COMET the unemployment rate forecasts would be even higher.

gross (i. e. includes the provision for fixed capital replacement as well as net addition to existing physical capital, this must mean that, in the case of Ireland, actual volume of the latter is expected to decline.

Conclusion from COMET

While, as regards Ireland, this model has its peculiarities, on the whole it is consistent in painting a sorry prognostic for the next five years and, we surmise, there would be little, if any, comparative improvement if the "simulations" were extended to, say, 1990. To repeat, the basis of the elaborate calculations for COMET were approximately the 18 years 1954-1971, most of which would be regarded as "good" years for Ireland, and certainly well before the present depression. The depression has postponed recovery in the case of all EEC countries. Our personal answer, without proof, to the question "If a revised COMET were based on data for years up to and including 1976, would the comparative showing of Ireland in EEC be much better as regards unemployment?", would be a gloomy No.

It is not enough, from the fact that statistical goodness-of-fit of calculated to actual for estimation periods is unsatisfactory in the case of Ireland, to reject, out of hand, the showing of this model. Simpler analyses were leading us to suspect that the national objective of full employment and low emigration, simultaneously by some future year, say 1985, was unattainable, the depression merely exacerbating the situation.

It is impossible for us to contemplate unemotionally the showing of COMET as regards Ireland. Our main object in presenting its results is to ensure that these will not be realised. We have no illusions as to the magnitude of the tasks facing the people to ensure a substantial reduction in the unemployment rate. We want to have these tasks accorded the priority they deserve. COMET is the main impulsion for the drastic proposals in our last chapter.

Chapter 6

E. Costa's Outline of a Scheme for Relief of Unemployment in Ireland *

Introduction

With more than 116,000 persons on the Live Register in March 1976, representing some 10 per cent of the economically active population, it is generally agreed that reduction in the level of unemployment should be a prime objective of policy in Ireland. The current recession and the structural adjustments which are a consequence of Ireland's entry into the EEC resulted in more job losses and redundancies than jobs created in the industrial sector in 1975 in spite of the vigorous efforts of the IDA. Thus it does not appear that the employment situation can improve in the near future. Moreover, one cannot overlook that the Live Register does not give a full picture of the unemployed - young people, particularly young women, in search of a first job usually do not apply for unemployment assistance, but some of them do register for work -, that there is a substantial amount of underemployment in agriculture¹ and that the number of women who, although they do not register as unemployed, would be able and willing to work if pay was sufficient is probably not negligible.

In such circumstances, in order to prevent a deterioration in the social situation, there is an urgent need for a Crash Employment Programme. This requires sacrifices and bold decisions by all concerned, more particularly by the Government and the Trade Unions. This also requires the adoption of a whole set of measures, as direct employment creation through a Government financed special works programme does not seem to be possible on a scale sufficient to absorb all the unemployed - those long-term structurally unemployed

¹As stated in the Report of Committee on the Review of State Expenditure in Relation to Agriculture (1970), 53 per cent of holdings over one acre, if equipped with average facilities for their line of production, had an employment requirement of under 200 man-days per year in 1965. And there are now about 40,000 "part-time farmers".

*This chapter was prepared for us by Dr Emile Costa, Rural and Urban Employment Policies Branch Employment and Development Department, International Labour Office, on a short mission at our invitation, to Ireland. We are extremely grateful to Dr Costa and to the ILO. We have decided to present this paper without comment, emphasising therefore that Chapters 6 and 7 were independently prepared, with inevitable differences.

who were already jobless before 1974 (some 67,000) and those unemployed as a result of the recession and of the move to free trade. Nor would it be appropriate for all of them. Mainly the hard-core would provide the labour for an "emergency" works programme, which consequently might well last for a number of years. Any other measures which would permit it to be kept to a manageable size are therefore all the more relevant.

A - Policy measures suggested as part of a Crash
Employment Programme

As pointed out by Dr. Kieran A. Kennedy in his paper on Increasing Employment in Ireland read at the Symposium of the Statistical and Social Inquiry Society on 20 November 1975. it would first be necessary to introduce a package of policy incentives which would maximise the use of scarce resources in the creation of adequate employment, in order to try to reach the target of 300,000 net new jobs outside agriculture to be created between 1971 and 1986 which was suggested by Prof. Brendan Walsh, a target towards which little if any progress has been made up to now. Quite naturally, most of these incentives and other policy measures would affect incomes policy and the industrial development strategy, since industrialisation has been considered in the past few years as the basic source for employment generation. Other measures would be related to training policy and possibly to emigration.

Incomes and investment policies

(1) More and more it is agreed in Ireland that there is a trade-off between incomes and employment. While wages are rising far more rapidly than productivity, the share of profits in non-agricultural national income has fallen during the present decade and the rate of return on capital in Irish manufacturing industry is only in the 5 to 7% range - and lower if proper inflation accounting techniques were applied.² Obviously there is a need

² Contribution by Derek Chambers, Confederation of Irish Industry, at the Symposium of the Statistical and Social Inquiry Society.

for fostering investment through increased profits - without going into the political and institutional problem of the ownership, control and use of profits, and whatever the level of foreign borrowing and of assistance from the EEC Regional Fund. It is suggested that higher profits might be ensured through (a) a wage restraint policy as proposed under (2) below; (b) tax relief on profits as proposed under (6) below; (c) possibly, labour subsidies to enterprises to keep the labour costs to the level of productivity, after a full discussion of the problem among Government, Employers organisations and Trade Unions.

(2) A policy of wage restraint through the temporary non-payment of the escalator clause, which would involve a non-negligible fall in real incomes for those in private employment, could of course only be proposed, again, after an in-depth tripartite discussion and would involve the Government in pay determination. It might only be accepted by the Trade Unions as one of the austerity measures under a Crash Employment Programme and as an evidence of the solidarity of the working class. It should anyhow be distinct from a wage freeze. The limitation of wage increases to the level of labour productivity increases would seem to be the most reasonable approach and the most acceptable to the Trade Unions.

(3) As soon as the present recession is over and with a view to alleviate unemployment during possible future recessions, "crisis reserves" might be constituted by public and private enterprises.³ Enterprises would be encouraged, through tax relief on these reserves, to defer certain investments until the Government would consider them as appropriate, i. e. when a recession occurs. A percentage of the reserves might have to be invested in Government loans, thus producing interest for the enterprises concerned.

3. Such reserves have been constituted in Switzerland since 1951.

(4) The adoption of the above measures would imply a certain degree of active planning by the Government and consequently changes in the administrative structures. This is true also of the special works programme suggested under B hereafter.

Industrial development strategy and related measures

(5) Due to the small size of the domestic market, emphasis has been laid on and tax relief granted to export industries. If a labour intensive works programme is launched, some reorientation of investment priorities would be necessary to meet the increased demand for wage goods from the formerly unemployed workers. This would permit limitation of the possible inflationary effect of the programme. In addition to the need for supporting, as a general rule, the processing of local food products and minerals, IDA would therefore have to consider giving a higher priority to food processing, clothing and footwear, furniture and electrical appliances industries than has been the case up to now.⁴ Incidentally, textiles and clothing, as well as food processing industries, are among the sectors where the numbers of unemployed are relatively high.

(6) Much has been said about the preference which should be given to labour-intensive technologies in Ireland. Generally speaking, it is perfectly understandable that IDA - although it happened to pay up to 60 per cent of the capital cost of small labour-intensive industries - prefers industrial projects with the best capital-labour mix which meet commercial viability criteria and are competitive on foreign markets. Moreover, the high income levels to which the Irish people aspire may just rule out labour intensive

⁴ Of course, an increase in agricultural production would also be necessary. As stated below, the labour-intensive works programme itself should help in coping with this necessity.

industries as being uneconomical. Nevertheless, in a quasi-emergency employment situation, particularly if a wage restraint policy is acceptable, it seems that labour-intensive industries should deliberately be given some preference.

This could be made by granting tax relief on profits to new labour-intensive industries. For instance, a tax cut of 50 per cent could be granted for a number of years (let us say, five years) to enterprises whose fixed asset investment per job created is under £2,500; the tax reduction could be 25 per cent when fixed asset investment per job is under £5,000.

Of course, there is no question of introducing in Irish industry the simplest traditional methods of production. But the Department of Industry and Commerce might wish to collect information on intermediate techniques from the Intermediate Technology Development Group in the United Kingdom or from the ILO (Technology and Employment Branch) and to disseminate such information, particularly to small enterprises.

It is hardly necessary to add that it is in the construction industry sector that intermediate technologies are both most practicable and most needed due to the high unemployment rate.

(7) Undoubtedly there is scope for fuller utilisation of existing industrial capacity in Ireland. It is considered in the Planning and Research Division of IDA that there is an under-utilisation of 35 to 40 per cent of the capacity as compared with 1973 in about 90 per cent of the enterprises, especially in mechanical, textiles and food processing industries. Clearly the main cause of under-utilisation is the lack of outlets due to the recession and to the limited size of the domestic market, but deficient management practices and high labour costs particularly on over-time, may also prevent the full use of machines. An in-depth study of this problem seems to be needed so that when the economy recovers or when there is an increase

in internal demand for wage goods as a result of a special works programme - any possibility for increasing output and employment, for instance through more shift work, could be utilised without any substantial increase in capital.

(8) Possibly the measures in favour of redundant workers and to promote occupational redeployment could be made more flexible.

Surely the present system including the Premium Employment Programme on the one hand, and the Redundancy Payments Scheme and the Resettlement Assistance Scheme on the other hand, is more than reasonably effective.

Also the Training for Individuals Programme in the Industrial Training Institute (AnCO) provides good opportunities for training or retraining the unemployed, including the payment of training allowances. However, the following steps are suggested to facilitate occupational redeployment or to alleviate certain situations:

- Special allowances could be granted to older workers who are over 55 at the time of their dismissal and cannot be redeployed. These allowances would provide beneficiaries with 90 per cent of their former wage for a 40 hour week up to the age of retirement; thus these older workers would no longer look for employment (this system is working under the French National Employment Fund).

- The Resettlement Assistance Scheme could be expanded to cover, on the one hand, the "key workers" in undertakings which are decentralising their activities and, on the other hand, those recruited by firms moving into areas of acute unemployment who are sent from these areas to the firms' headquarters for special training (like in the "Key Workers' Scheme" and the "Nucleus Labour Force Scheme" in the United Kingdom).

- A "double residence grant" could be paid to redundant workers with family responsibilities who are unable to move their family residence immediately to their new place of employment (like under a French decree of 24 February 1967).

- "Income maintenance allowances" could be granted to workers who are downgraded in the process of transfer within their enterprise and, for a limited duration, to redundant workers who are obliged to accept a lower paid job than their former one whilst awaiting more suitable redeployment.

(9) The setting up of workers' co-operatives by the unemployed should be considered with special interest by IDA which, in addition to the special working capital arrangements for small industries and to providing its usual advisory services, could provide them up to 100 per cent of fixed asset cost as cash grant, particularly in Western regions. These co-operatives would particularly aim at meeting the internal demand for wage goods, as stated under (5) above, and fish and other food-processing, furniture and furnishing fabrics industries, as well as clothing industries and other consumer goods factories, that IDA is already largely supporting, would seem to be particularly appropriate. The co-operatives should require little investment per job created and work on a multiple-shift basis.

They would be composed, first, with unemployed skilled and semi-skilled workers but, with AnCO's assistance, they should also engage unskilled workers on a training-cum-production basis. The need for training in co-operatives management should be considered with AnCO before setting-up any co-operative of unemployed workers.

Such training, and indeed the management of any workers' cooperative, might possibly be entrusted to trade unions or at least organised with their collaboration, drawing on the experience of Histadrut in Israel. This, however, seems difficult to implement in the Irish context.

For unemployed women, the possibility of setting up knitting and weaving units in rural areas might be envisaged. IDA advisers should be made responsible for a number of villages and deal with obtaining raw materials and marketing and sales of handicrafts products produced by the women.⁵

Other measures



(10) There is definitely a need for vocational training planning⁶, which should be a task for the National Manpower Service. No systematic assessment of manpower requirements is being made at the moment. Out of AnCO's 9000 trainees per year - who should be 11,500 in 1978 as a result of the on-going expansion programme - , about 8,000 are adults, most of them unemployed, and out of these some 50 per cent only can be placed into employment. Selection of training courses in AnCO is made on the basis of various manpower surveys carried out by AnCO's Research Department, of advance warning by IDA, and of consultations of employers' and workers' organisations in the training centres. Clearly the placement rate would be higher if vocational training planning were systematic.

(11) As regards training of young workers within industry, the Government might consider the possibility of paying the enterprises which recruit and train unemployed workers under 25 years of age, an allowance varying according to the duration of training, plus an amount equal to the minimum wage for the same period (system applied in France under a Decree of 4 June 1975).

It can be hoped that some firms would undertake hiring and training on a voluntary basis in response to a publicity campaign for the Crash Employment Programme.

5. This approach has been experimented in Cyprus, where "Home Economics Agents" have been appointed by the Ministry of Agriculture to be responsible for 6 to 8 villages to advise displaced rural women. Dressmaking instructors had first to train those women.

6. Apart from educational planning, which can only produce results in the long run.

(12) For various social reasons, emigration is not to be pushed at present in Ireland. However, to the extent that emigration would not completely vanish, it might be advisable to train migrant workers to specifically meet the requirements expressed by other countries,⁷ for instance EEC countries. A study of this problem is being prepared in AnCO. Such "planned emigration" is primarily of interest to the workers concerned but the expenditure on training would not be lost by Ireland because of the balancing effect of emigration on current international payments and of the possible return of the workers to Ireland after a few years with improved capacities. The problem could be discussed by the Advisory Committee on Emigrants' Services in the Department of Labour.

The set of the above measures could go part of the way to relieving unemployment in Ireland, and some of them may have fairly quick results. But in the short run the major impact can only be made by a Special Works Programme which would directly create employment for a mass of unemployed. This programme would be the main component of the Crash Employment Programme at least for a few years.

B. A Suggested Special Works Programme

Possible scope and cost of the SWP

As a basic principle, the SWP should try to give work to all those who are totally or seasonally unemployed and are prepared to work. It is very difficult to estimate this "deployable labour surplus" at present. Assuming, on the basis of available data and information collected, that the LR population (116,000) represents only 88 per cent of all job-seekers, including young people and the self-employed,⁸ one would reach a total of some 132,000 unemployed.

⁷ This is done by a number of countries of emigration.

⁸ Basis: NMS surveys carried out in 1974 in thirteen catchment areas (6,900 jobs-seekers as against 6,100 on the LR). But this proportion may be fortuitous.

In terms of man-years available for work, however, this number should be reduced, considering that, according to the latest figure (September 1973), the average number of weeks of employment obtained during the previous 12 months by men on the LR was 12, i.e. 25 per cent of a year if allowance is made for four weeks annual leave.⁹ The number of man-years available for work then comes down to 99,000. Finally, assuming that 87 per cent only would be prepared to take a SWP job at current rates of pay¹⁰, the latter number should again be reduced to 86,000.

Now, if the SWP would also aim at absorbing rural under-employment (as desirable), one should add to this number the equivalent in man-years of 100 days per year for the 40,000 "part-time farmers", i.e. roughly 13,000 man/years, which brings the total deployable labour surplus to some 100,000 man/years. Although this figure has been obtained on the basis of a series of assumptions, it seems to give a fairly good idea of the magnitude of the actual availability of labour.

What proportion of this surplus could be absorbed by the set of measures suggested under A above is obviously a guess. But it would not be unreasonably optimistic to say that it could absorb up to 30,000 man-years, including the effect of the special allowances to redundant older workers, which in fact would set them out of the labour market. Consequently the SWP - taking into account its indirect and secondary employment effects, some of which have already been taken into consideration under A (5) and (9), should absorb at least 70,000 man-years.

Considering the experience of developing countries which have launched such special works programmes, particularly the Brazilian and Tunisian experiences, this is not an impossible task. The average proportion of the GNP which has been devoted to these programmes in developing countries is 2 per cent. Since GNP per head is much higher in Ireland, it should be

⁹ R. C. Geary in Chapter 1 of this study, p. 5.

¹⁰ Chapter 3 of this study, p. 12.

acceptable to devote to a SWP 3 per cent of the GNP, which on the basis of an estimated GNP of £3, 533 million at market prices in 1975, would mean an expenditure of £105 million per year.¹¹

If the SWP is labour-intensive enough - and depending upon the content of the programme, to be defined below - labour costs should amount to 60 per cent of total costs (including equipment, materials, and administrative costs), i.e. to £63 million per year. Again, this

60 per cent is based on the experience of other countries, although in some schemes in Asia it reached 75 or even 80 per cent.

Assuming that the bulk of the labour would be paid the normal rate for non-agricultural unskilled labour, the labour costs would amount to some £45 per man/week on the basis of a wage of £40. Of course, the skilled workers would have to be paid a higher rate, but they would not be a high proportion of the total labour employed and, on the other hand, young workers under 19 and workers in rural areas (who could be paid the minimum agricultural wage set at £33.40 or £33 at the end of 1975) would get a lower rate. Keeping then to a labour cost of £45 per week and assuming that the workers would be entitled to paid annual leave¹², the SWP would be able to provide 27,000 man/years of work.

If it were possible to pay the unskilled workers at a lower rate¹², for instance at a rate in between the amount of the unemployment benefit (£24.20 from April 1976 for an average man with adult dependant and two children) and the non-agricultural minimum wage, say £32 per week with a labour cost of £36, the SWP would provide 34,000 man/years of work if the workers would be entitled to paid annual leave.¹³ Then, when one takes into account the multiplier effect (indirect and secondary employment effects), which

¹¹ This does not allow for the maintenance costs of completed works.

¹² The question of conditions of work under special works programmes is discussed below.

¹³ This of course implies that, in fact, the techniques applied would be even more labour-intensive. This should be possible, because the prevailing wage is high as compared to productivity.

may not be higher than 2¹⁴ since part of the secondary effect has already been considered under A, it can be seen that the SWP should permit the absorption of 70,000 man/years.

Of course, this result largely depends upon the wages and other conditions of work which would be granted to the SWP workers, and upon the amount of the allocations made for the programme by the Government. If 3.5 per cent of the GNP were devoted to the SWP instead of 3 per cent then with an allocation of £123.6 million, direct employment generation by the programme would be 32,000 man/years with a normal wage and 40,000 with a reduced wage. It would then be much easier to reach the target of 70,000 man-years.

Finally, to get the actual financial cost of the SWP to the Government, one must deduct the savings on the unemployment benefits and unemployment assistance which would be involved in putting the unemployed to work. It will be assumed, again, that the average worker has one adult dependant and two children and, for the sake of simplification, that half of them would be entitled to UB (i.e. to £24.20 per week) and half to UA (i.e. to £20.85 per week).¹⁵ On this basis, the actual financial cost of the SWP would be as follows in the four different hypotheses suggested above:

	SWP = 3% GNP.		SWP = 3.5% GNP	
	Labour cost £45 per week (m£)	Labour cost £36 per week (m£)	Labour cost £45 per week (m£)	Labour cost £36 per week (m£)
Allocation	105.00	105.00	123.60	123.60
Savings on UB + UA*	31.18	39.37	37.10	46.37
Actual cost	73.82	65.63	86.50	77.13

Note: In these calculations, it has been assumed that SWP workers, like UB beneficiaries, would not pay insurance contributions.

¹⁴ After experience in other countries.

¹⁵ If part-time farmers are employed under the SWP, they would no longer be entitled to doles in the Western areas, which would involve some savings too.

The question of financing the SWP will be discussed below, after the content and the administrative structure of the programme have been defined.

Selection of SWP workers

Whatever the allocation would be, a selection should be made, since in any case, if one sticks to the above suggestions, the maximum number of man years directly utilized on SWP projects would be less than 40,000. Apart from those who would anyhow not be prepared to take a SWP job, there would be a direct selection on the basis of the wage level if a reduced wage is acceptable. But, apart from that, a number of criteria could be envisaged.

(a) The purely financial criterion would imply giving a preference to those workers entitled to UB and having children. But since UB is payable for a maximum period of 65 weeks, it would also imply that the workers' turnover in the SWP would be relatively high, which is not conducive to efficiency.

(b) Another criterion may be the length of time applicants have been on LR. Then one would have a larger proportion of UA beneficiaries, which would reduce savings. This criterion may well have to be retained, however, since for psychological reasons it may coincide to some extent with the "readiness to take a SWP job".

(c) A third criterion would be to concentrate on depressed occupations, i.e. builders' labourers, road labourers and general labourers. This would be logical as these workers provide the basic labour for any works programme. It would not preclude the recruitment of skilled, semi-skilled workers and accountants and clerks insofar as they are technically required for implementing the various projects and not available in the central and local services responsible for the projects concerned. ¹⁶

¹⁶ Principles about the staffing of projects and gangs balance are given at pp. II-33 ff., V-46 ff. and V-113 ff. of the ILO Guidelines for the Organization of Special Labour-Intensive Works Programmes

(d) Since, as a basic principle, workers would be hired locally a fourth criterion would be to carry out most projects in the areas where the number of unemployed is the highest (Dublin and Dun Laoire) and in depressed areas where the unemployment rate - as well as underemployment is relatively high (Ulster, North Connacht).¹⁷ However, due to land distribution patterns and to social structures, it does not appear that suitable works would be available in sufficient numbers in those depressed areas. This question will be considered again in the context of the definition of the programme content. In any event, if needed, unemployed urban workers from such areas could be temporarily sent to other areas where works are available, although this would definitely increase the transport, accommodation and other administrative costs under the SWP. In this respect, it should be recalled that the Pilot survey of the unemployed (Chapter 4 of this Study,) revealed that 55 per cent of the workers in the sample would accept work away from home and, out of these 55 per cent, some 65 per cent (i.e. 35.75 per cent of the total) would work anywhere in Ireland; but the readiness to work away from home is of course subject to the wage level and other conditions of work under the SWP.

(e) Obviously the age and good health criterion is of primary importance. Concerning age, it has already been suggested (A (8) above) that redundant older workers should be entitled to special allowances so that they would no longer appear on the labour market. It is also suggested that other unemployed older workers (let us say more than 55 years old) should not be

¹⁷ Thus, in the Public Employment Programme (PEP) in the USA, additional federal funds were provided to States and localities where the unemployment rate reached 6 per cent or more for three consecutive months. Similarly, under the Comprehensive Employment and Training Act (1973), funds have been made available to areas where the rate was 6.5 per cent or more for three consecutive months and dettriggered when it went below 6.5 for three months.

selected for SPW work: they could of course get a job as a result of other measures adopted under the Crash Employment Programme and of indirect and secondary employment generated by the SWP. As far as workers under 25 years of age are concerned, it is suggested that at least 25 per cent of the total direct employment under the SWP be assigned to them; a special component for young workers is proposed below as part of the programme.

All criteria (b), (c), (d) and (e) seem to be relevant and they should be used in reverse order, criterion (e) being the first, for the purpose of selecting SWP workers.

A final point related to the selection of workers: it is generally agreed that the rotational system should be excluded since it reduces the workers' overall income, involves a feeling of "relief work", does not facilitate training on-the-job and entails a loss of efficiency. But the possibility of working on a two-shift basis during long summer days should be envisaged since it could be a means of reducing administrative costs.

Content of the SWP

In order to repay rapidly part of its cost, to generate as much long-term employment as possible (and thus to create sooner or later the conditions for its own disappearance, which is both socially and politically desirable), any special works programme should include a substantial proportion of directly-productive projects and/or a training component, particularly as far as young workers are concerned. For this reason, it is suggested that the SWP should consist of three components: a public works component, a rural works component, and a youth component.

The importance of a careful project selection cannot be too much emphasized if one wants to prevent the traditional criticisms that public works schemes provide no permanent solution of the unemployment problem and include a high percentage of works of little or no economic value.¹⁸

A careful project selection implies that: (i) SWP projects should be complementary to other development projects; (ii) they should maximise short-term employment generation; this has already been pointed out above when it has been suggested that the average labour cost for the programme as a whole should be 60 per cent of total costs¹⁹, but in addition, account must be taken of immediate indirect and secondary employment effects; (iii) as just pointed out, they should also maximise long-term employment generation; (iv) they should have a high economic return, a high benefit/cost ratio. Points (ii), (iii) and (iv) combined generally lead to a higher priority^{being given} to directly productive projects such as land development, irrigation or drainage rather than to infrastructure projects, and to infrastructure projects rather than to social investments. However, final decisions can only be made after considering the merits of each particular work, if possible through a cost-benefit analysis.

A careful project selection - and planning - also implies that a shelf of projects has to be prepared within a multi-annual SWP: this is to a certain extent a corollary to the complementarity requirement. In this regard, it appears that there are in Ireland a number of project proposals which could be implemented when funds are made available. It is important that these projects start as soon as possible. It would be desirable too that future projects be included in a comprehensive regional development policy.

¹⁸ As stated in the Second Interim Report of the Inter-Departmental Committee on Public Works (1934-36) (Chapter 2 of this Study, p. 26).

¹⁹ A direct consequence of this requirement is that the SWP should mainly consist of minor works: it should be basically "a large programme of minor works", as all programmes of this kind. But this does not rule out the possibility of including large-scale projects in the programme.

(a) The public works component

It is agreed that there is no shortage of infrastructural projects (roads, housing, schools and hospitals) which could generate direct employment. There are a number of projects ready for quick implementation in the Department of Local Government, which apparently could constitute a substantial part of the first year programme of the SWP. Since these projects have been proposed by County councils, there is every reason for thinking that similar proposals could be prepared in the years to come. The projects mainly cover the provision of basic infrastructure for expanding housing schemes: water supply, sewerage, access roads, minor drainage works. It is considered that they should trigger off employment generation in the building industry. Other projects ready for implementation in the Department of Local Government include the construction of community halls, playgrounds, tracks and footpaths, for promoting tourism, etc. The Dublin Corporation, in particular, should be able to prepare a set of projects in the field of housing and environment for direct employment of the unemployed in the future.²⁰

A possible area for expansion of this component is the provision of recreational facilities both for the Irish community and for attracting more tourism.

(b) The rural works component²¹

In this important sector, it appears that there are structural difficulties which should be overcome if one wants to expand employment and absorb under-unemployment.

²⁰ In this respect, it may be pointed out that the ILO Guidelines for the Organisation of Special Labour-intensive Works Programme, pp. IV-40 to 72 propose basic principles for choosing appropriate technologies for various categories of work.

²¹ It should be stressed that this component would be particularly suited to be part of a comprehensive regional development policy. It cannot be neglected that "many Irish farms suffer, from a shortage of farming capital and operate low input and low output system" (CEE, The Irish Economy, Economic and Financial Series, No. 10, 1975, p. 43.)

First, we will have to set aside the forestry sub-sector, in which the Department of Lands employs 2600 regular workers more or less permanently. Under the regular programme, it is difficult to provide enough work to keep these workers fully employed and, in fact, their number had to be reduced by more than 50 per cent in past years. Even if part of the regular programme works were advanced by a few years, they would be carried out by this labour, which apparently might resent the use of extra-labour to do their own job. Possibilities for employment expansion seem therefore to be most limited.

But it is agreed that there should be a fairly wide scope for land clearance, reclamation and improvement, including minor drainage and flood control schemes, as well as for construction and maintenance of rural roads, to promote agricultural development, particularly in the Central and Western regions of the country. In fact, the Farm Improvements Scheme was the most successful of those recommended by the Interdepartmental Committee on Public Works, as stated in its final report in 1945-46.

However, the Farm Improvements Scheme, as implemented by the Department of Agriculture and Fisheries, consists in granting non-repayable cash to small farmers to have land improvement and small drainage works carried out on their own holdings through contractors. As such, it does not lend itself to the "mobilisation" of the unemployed or of under-employed rural labour. Moreover, it is well known that in poor areas in Connacht and Ulster, most farms are small, frequently owned by farmers over 50, half of them being bachelors without initiative, who would not be readily prepared either to participate in rural works or to accept that unemployed workers come to work on a large project which would cover, inter alia, their own farm. Obviously, there is a need for education and extension work to be done at county level in co-operation with what is already done by the Department of Agriculture and Fisheries. It might be advisable too to launch a campaign giving information on the

purposes and activities of the Crash Employment Programme²², and particularly of the SWP. In this task, as in other activities under the SWP, the County Councils should play a major role. Besides, specific land development projects could be carried out on Government lands, however small they are if one does omit forests.

It would be a task for the authorities responsible for managing the SWP (see below) to select the minor projects to be implemented and the areas where most emphasis has to be laid on, it being understood that minor drainage schemes should not be undertaken before larger schemes under the Arterial Drainage Act are completed. Such minor schemes could include digging and maintenance of secondary channels from the arterial network to villages, for instance. It should be noted, however, that four arterial drainage schemes (Corrib/Mask/Robe; Boyle; Bonet; Dunkellin and Lavally) are ready for implementation under the Office of Public Works when funds are available. Rough preliminary estimates based on the experience in the on-going Boyne project show that these four projects could absorb about 4,300 man/years of casual labour under the SWP.

Another much larger possibility for using unskilled labour for arterial drainage would be the Shannon drainage project, which would easily require ten years even under a crash programme.

(c) The youth component

As stated above, it is suggested that at least 25 per cent of the total employment under the SWP be assigned to workers under 25 years of age. Some of them could work under components (a) and

(b). But it seems to be advisable to have two other specific schemes,

²² It may be a way to attract into farming young people from among the unemployed.

one being a training-cum-production scheme and the other, a public service scheme for the educated.

The training-cum-production scheme might be an expansion of the present AnCO's Community Youth Programme, the objective of which is to assist young people through training and work to obtain basic industrial skills, a greater understanding of a working environment and the opportunity to develop self-reliance and maturity. The projects, which are now about 100 in Ireland and consist each of six young workers plus an unemployed craftsman as a team leader, include repair work on old folks homes and centres, community halls or centres and children's playgrounds, but the type of projects is open to new ideas. They last for about 3 months each and may be divided into units of work. The sponsor of each project provides materials; while AnCO imparts basic training to the labour provided, (they are paid an allowance of £15 a week as are all other AnCO trainees).

If such a scheme is expanded, it should come under the authority responsible for the SWP, with AnCO's co-operation for the training input. After a trial period, it could include a wider range of projects, directly connected with projects actually implemented under the two other SWP components. It might also include projects for the summer employment of students so that they could earn enough money to remain in school, on the lines of what has been done in the USA under the Neighbourhood Youth Corps programme and in Canada under the Opportunities for Youth programme. It must be stressed that any scheme of this kind should include vocational guidance and preferential placement of the participants into permanent jobs when opportunities arise.

The public service scheme for the educated unemployed would provide the youths concerned employment in clerical, survey-making, research-related jobs, or as teachers or policemen, or as para-professionals like nurses, etc. As in the Public Employment Programme in the USA, the

jobs would be provisional - a limited duration might be fixed - and the participants would be expected to move to permanent jobs in the private or public sectors when possible. The approach would be based on the idea that entry requirements for many professional or para-professional occupations are artificially high. On-the-job training would enable upward mobility for the participants.²³

The scheme would be specifically designed for unemployed secondary school-leavers. A survey carried out in 1974 by the National Manpower Service showed that out of 37,733 second-level pupils surveyed, 5431 had reported to be unemployed, or stayed at home, or "did not know" what to do, i.e. 14 per cent of the total. The total of secondary school leavers being 44,700 at that time, this percentage would represent 6,270 unemployed or assimilated. Assuming an increase to 7,000 by now, and assuming too that they could be remunerated £30 per week since they would get on-the-job training,²⁴ the total cost of the scheme, if all the unemployed would be interested, would be under £11 million, which is quite acceptable within the SWP as it is suggested (total cost of £105 or £123.6 million).

Administrative Structure²⁵

It seems to be inevitable that running such a large scheme as the SWP would require a specific central authority and additional staff both at the central and at the county level.

The SWP Central Authority should preferably be located in the Department of Labour (possibly in the Department of Local Government), but it would be directed by a Committee consisting of representatives of the departments of Labour, Finance, Agriculture and Fisheries, Lands, Local

²³ "New Careers" Programme concept in the USA.

²⁴ May be one could propose only £25 per week.

²⁵ Chapters I and II of the ILO Guidelines describe in detail the planning and administrative structures and procedures proposed for labour-intensive works programmes. Those chapters are mainly designed for developing countries bigger than Ireland. Here they are briefly summarized, simplified and adapted to Ireland's structures.

Government, Social Welfare, Public Services, Health, Industry and Commerce, and of the Office of Public Works. It should also include representatives of the Confederation of Irish Industry, of the Irish Congress of Trade Unions, of the Industrial Development Authority, of the Irish Farmers Association and possibly members of the Parliament, each representing one of the nine regions.

The Committee would lay down basic policies about the type of projects and of workers to be preferred under the three components of the SWP; consider and approve operational guidelines prepared by the Central Authority; consider and approve project proposals emanating from County councils and the Dublin Corporation as well as from co-operating departments and indicate expenditure ceilings and subsidies for different counties; consider project proposals of a controversial nature and give final decision about their inclusion under the SWP, possibly as part of regional sub-programmes; review at regular intervals the progress of the SWP and suggest appropriate measures to repair operational deficiencies; review evaluation arrangements and consider evaluation reports.

As a secretariat to the Committee, the Central Authority's terms of reference would have to provide detailed operational guidelines to departments responsible for implementing projects and to County councils in particular as regards procedures for recruiting workers; to make proposals for the SWP budget to the Department of Finance; to scrutinize project proposals on technical and economic grounds, determine priorities and allocation of budget; to determine training needs for SWP personnel and make arrangements for this; to determine evaluation goals and procedures; and to prepare progress and evaluation reports. As a first task, when the SWP is undertaken, it will have to take into consideration all projects proposed by co-operating departments and County councils and ready for implementation. In addition, it will then make a census of other works which could be required under the SWP to meet the employment target for the first year.

In order to cope with these tasks, the Central Authority would be staffed with a Director; a small number of professionals: two economists, a civil engineer, a drainage engineer, a soil conservation specialist, an accountant and accounts clerks, plus secretarial support. Soon after the SWP has started, a small evaluation cell with two economists and two engineers would also be needed. But it is essential that the staff should - and can - be kept to a minimum, since the technical scrutiny of the projects proposed by County councils can be entrusted to the personnel of relevant co-operating departments.

At the local level, the County Councils would be responsible for submitting project proposals to the Central Authority.²⁶ They would also be responsible for ensuring strict adherence of SWP criteria and procedures by all project executing departments and other persons responsible for implementing projects, and for forwarding all information requested by the central evaluation cell to prepare progress and evaluation reports. In submitting project proposals, the councils would take advice and accept suggestions from heads of local services of co-operating departments and of workers', farmers' and employers' organisations, as well as from voluntary organisations,²⁷ if any. This would be done informally, or formally within a special Local Committee. Local services of co-operating departments would prepare the final detailed design of projects once these have been approved by the Central Authority.

²⁶ Of course, project proposals could also be put forward by co-operating technical departments at the central level.

²⁷ In this respect, the SWP might draw on the Canadian experience in the Local Initiative Program (LIP) and the more recent Local Employment Assistance Program (LEAP), in which any individual or group can put up a proposal for Government support to an activity provided this activity is non-profit making and the jobs are filled by unemployed people. A good description of LIP is available in There's work to be done- Unemployment and Manpower Policies, HMSO, London, 1974. A study on Canadian emergency employment schemes is under preparation in the ILO.

The recruitment of SWP workers should be organised by the Manpower offices throughout the country on the basis of the approved selection criteria. In rural areas, particularly if one intends to utilize seasonally unemployed farmers, it may be advisable to appoint a social promotor who, in collaboration with local staff of the Department of Agriculture and Fisheries, could foster local interest and voluntary participation in the SWP.

As a secretariat to the County councils for SWP matters, an administrator/economist and a couple of account clerks with secretarial support are likely to be needed. Furthermore, co-operating technical departments would probably have to strengthen their staff (especially engineers, overseers, surveyors, and draftsmen).

Finally, for the preparation of possible projects of regional interest, it would be appropriate if several County Councils and their SWP staff could join forces and set ad hoc committees in which a representative of the Central Authority would participate.

Financing problems

It is hardly possible that the SWP - and indeed some of the measures suggested in part A above - could be financed without any increase in taxation, internal or external loans and some degree of inflation, unless savings can be made out of other State budget items. This is a question of according or not a very high order of priority in national expenditure or policy to the gravest national problem.

In this regard, however, attention should be paid to:

(a) the possible flexibility in budgetary techniques, especially for sharing expenditures between national and county budgets (ILO Guidelines, pp. III - 7 to 12);

(b) the possible contributions in kind by participating populations, particularly in the form of materials (ILO Guidelines, pp. III - 21 to 23);

(c) the possibilities of repayment, by the beneficiaries, of a proportion of the profits accruing from the projects (ILO Guidelines, pp. III - 15 to 17).

It must be recalled here that under the Farm Improvements Scheme, in holdings exceeding £15 Poor Law valuation, the farmer was required to repay one-third of the cost of labour by means of a long-term annuity, while in holdings not exceeding £15 Poor Law valuation, he was required to contribute 25 per cent of the labour in kind. 28

Besides, in order to limit or master inflationary pressure resulting particularly from increased workers' demand, attention will have to be given, first, as stated above, to increasing the supply of wage goods; then, to limiting over-all consumption, especially that of richer classes; and, third, to any possibility of controlling the purchasing power distributed to workers within the SWP (ILO Guidelines, pp. VI - 32 to 37).

Remarks about the implementation of SWP projects

(a) It must be admitted that, at the outset, the productivity of long-term unemployed may be low. In order to cope with this situation, it would be necessary to appoint and, if required, train skilled workers and foremen who might not be selected from among the unemployed; to provide for on-the-job training of labourers; to organize the work in a rational manner, through sound site management, site layout and material handling, operational

28 Chapter II, pp. 31-32, of this study.

instructions and regular returns from the sites, as in any well-managed construction site (ILO Guidelines, pp. V-46 to 56); to control the work, including quality control, control of work tasks, progress control and cost control (ILO Guidelines, pp. V-57 to 70), and perhaps to introduce payment by results, a question which will be considered below. However, foremen will have to understand the special character of the labour concerned.

(b) It is possible that some large sites or projects involving the use of labour recruited in distant localities require special transportation and accommodation facilities for the workers. It is suggested that such facilities would best be organised at the County level, but that the Central Authority might make lorries available for the transport of workers, which would require a special transport section. With respect to amenities on site and transport facilities, reference can be made to the ILO Guidelines, pp. VI - 49 to 57 and V - 71 to 74.

(c) It is not in the nature of labour-intensive works programmes specially devised to give work to the unemployed to use the contractor system. Direct labour, which has been used in Ireland under schemes run by various departments, should be the normal solution. Nevertheless, particularly for big projects, contractors may have to be utilized and decision would have to be taken on an ad-hoc basis. But then, contractors would have, first, to respect the criteria for the selection of workers (in fact, recruitment should even then be the responsibility of Manpower offices) and, second, to comply with the rules set for the payment of wages and other conditions of work if particular rules are laid on for SWP workers.

Wages and other conditions of work

This is a crucial issue. Not only because, if wages were lower than the minimum wage, more labourers could be given work, but also because in most countries where special works programmes have been implemented, labour laws are not wholly applicable since the workers are not

considered as normal wage earners and therefore do not pay insurance contributions. The question is discussed at length in the ILO Guidelines, pp. VI - 1 to 57.

It is felt that in the Irish context it would not be possible to depart from the normal rules in the case of SWP workers and that the smallest taint of "relief" should be removed from the programme. This, considering the relatively high level of wages in the country, may result in leading the Government if they want to make a serious attempt to quickly reduce the level of unemployment to devote even more than 3.5 per cent of the GNP to the SWP, which would be a heavy burden for its finances and would generate stronger inflationary pressures. For that reason, and in order to facilitate the consideration of this acute problem, a few points are submitted hereafter, on the basis of experience in other countries. If accepted they might offer a partial solution, provided the special nature of the Crash Employment Programme is clearly explained to the population.

The Tunisian Trade Unions accepted that wages and other working conditions under the Campaign against Underdevelopment would be different from those prevailing in the public and private sectors on the basis of the following principles:

- this policy is justified as long as a country's economic infrastructure has not reached a minimum level (in Ireland, it could be "as long as the unemployment rate has not decreased to an acceptable level");

- the programme must serve the interests of the country and not of private individuals;

- only the government may be authorised to offer working conditions below the usual standards, so as to prevent private employers from turning the programme to their advantage.

Now, even so, if urban unemployed workers were offered by the SWP a durable job for the whole year, it would not be possible to pay them less than the minimum wage in the construction industry. Only if occasional jobs are offered could the wage be lower. And in the case of under-employed farmers, a low wage level may be accepted when work is offered in slack seasons: then the wage is an addition to the main income which ensures a reasonable total annual income. It must be added that when a project directly benefits the workers, it can be considered as a self-help work which would require no payments.

Two additional points can be made. First, if it were admitted that SWP workers, being not regular wage-earners, would have the same status, as far as insurance is concerned, as UB beneficiaries, and pay no contribution, some reduction in their wage could be acceptable. But of course, they should anyway be insured against occupational injuries and the sites should comply with normal safety precautions rules and be open to labour inspectors visits.

Second - and more important - if the "finish-and-go" system was adopted as an incentive system, it would enable efficient workers who have completed their daily (or weekly) task to leave earlier and have a "bonus" in the form of free time. Then, if the task was fixed at a reasonable norm, a lower wage should be acceptable to them, provided, of course, the Trade Unions would not object to it. It seems that the special character of the SWP could justify such an approach which is a simple form of payment by results.

Duration of the SWP and gradual reabsorption of SWP workers in the national economy

It does not seem, in the present situation, that the SWP could disappear very soon as a result of economic recovery. But no Government has ever considered that an unemployment relief scheme could become permanent. If it is successful, that is, if it helps, through the selection of a fair proportion

of directly-productive projects, to generate long-term employment, it should become purposeless after a number of years, even though it may have to be revived later on when there is another recession.

In order to speed up this process, further steps can be taken,²⁹ such as:

(a) Integration of those SWP workers who have acquired sufficient training on the job into relevant Government technical services as permanent workers, for instance to ensure the maintenance of works completed;

(b) Encouraging the grouping of former SWP workers into labour co-operatives by granting such co-operatives temporary tax relief and supplying them with basic tools;

(c) Granting former SWP workers priority admission to employment in both the private and public sector. This, however, supposes that there is sufficient economic growth; otherwise, it would only mean shifting rather than absorbing unemployment.

²⁹ ILO Guidelines, pp. VII - 18 to 21.

Chapter 7: Conclusions and Recommendations

The paper is already long but there are still a number of important topics undealt with which, indeed, we had planned at the outset to include. These topics comprise (1) the construction of a forecasting model of our own, simpler than COMET (Chapter 5) but including external labour mobility as an endo; (2) examination of a specific (but not exhaustive) list of potential public works to derive experience from which precise rules, in modern Irish conditions, for running such enterprises could be derived; (3) conduct a substantive survey of the unemployed using guidelines derived from the pilot dealt with in Chapter 4, part I. There are other problems or aspects of problems but these three, in our view, are the most important. The present is but one of the earlier studies on the country's most serious problem: it has no pretention to what is termed "definitive". Other studies are certain to transpire, for which we hope this paper will be useful.

We justify these exclusions on the main ground of urgency, i. e. of speeding up publication of what we have. As to (1), no model of ours would be likely to negative the dire showing of COMET for the future of unemployment in Ireland. COMET and the economic implications, impossible of achievement, of the B.M. Walsh demographic forecasts for full employment are our main impulsion towards early publication. In regard to (2), obviously the determination of works to be undertaken, having regard to priority and optimality, is for large organisations and not for a couple of researchers. We were however, greatly helped at an early stage in this aspect by T. O'Gorman and his Bord Failte colleagues who indicated that their Tidy Towns enterprise alone had brought to light details of several hundred local tasks which required doing, as public works. Obviously government departments, local authorities and other groups are aware of many more. Our intensive study

of Irish experience in the past (Chapter 2) and of other countries in the present (Chapter 3) will embolden us to make proposals which we hope are sensible to the point of forming a basis for discussion by experts. As to (3), while the pilot survey provided some useful information, the statistical possibilities would be vastly enhanced by an inquiry extending to say 10,000 unemployed respondents.

Principles, Practice, Policy

We believe that almost the first essential in tackling the problem of unemployment (and indeed any other social problem) is for the public to view phenomena with a fresh mind. In a rapidly changing world old shibboleths may contain the worst kind of error and inconsistency, however true these beliefs were in the past; and some of them may never have been true. False targets (i.e. targets bad in themselves or, if not bad, unattainable) are harmful if only because they lead to division and discouragement in the nation.

We find it necessary to return to first principles to determine what we conceive to be the right attitude towards the problem of endemically high unemployment, prior, of course, to the determination of policy. The first principle is that the rights of the individual, including, above all, his personal freedom, are paramount. The rights of the individual take precedence of the rights proclaimed for family, parish, State or any other entity. The individual is the best judge of his or her own affairs. We do not trouble to qualify these statements since qualifications are obvious.

Basic rights include a minimum standard of material comfort. (For the moment it will suffice that these should apply within the nation, if necessary with sacrifice by certain sections, i.e. a more equal sharing.)

The individual is equally entitled

to levels of education, training and information adequate to enable him or her to cope with the problems of living. For the sake of human dignity as much as to provide the necessaries of life each individual has a right to a job. The famous principle is acceptable to us "from each according to his/her ability, to each what he/she needs."

COMET shows that the main reason for the high unemployment rate is "too many people chasing too few jobs," the too few jobs being, in turn, due to too low a level of fixed capital formation, due ultimately to our relative poverty as a nation (in EEC if not in the world generally). The "too many people" is due to the relatively high birth rate, making it necessary to give our views, for discussion only, on this difficult topic.

Most Irish people will agree that the recent substantial increase in the marriage rate is a good thing, not only for the individual but for the nation. Though it is perhaps too early to judge, there are, as yet, no signs of an increase in the birth rate which, if true, would mean that the fertility rate (roughly births per marriage) was tending appreciably downward, as it has, of course, in Ireland in the longer period. That allegedly high Irish birth rate (and still less the fertility rate) is far from being as immutable as the laws of the Medes and Persians. Geary¹ even argued, and produced statistical evidence for his argument, that, in the past, the number of births had its law: that the number of births was of the same order of magnitude as number of deaths, and always far fewer than the biological maximum, is an aspect of this law. Of course, this view might require qualification in view of the decline in the death rate, especially amongst the poorer peoples. Very recently Geary² has raised a doubt as to the commonly held view that the world is over-populated.

¹ R. C. Geary: *Irish Population Prospects* considered from the viewpoint of
Reproduction Rates Journal of the Historical and Social Inquiry
Society of Ireland.

² R. C. Geary: Lecture in TCD, 1974

This theory of over-population is the basis of a campaign, fundamentalist in its fervour and certainly going outside the facts of the case, to reduce the birth rate in poorer countries. The campaign has recently had authoritative support in Ireland, though not yet to the point of what amounts to forcing a reduction in number of births, namely by measures like taxation of large families. (It may be remarked parenthetically that untruth or suppression of truth in propaganda by rich and powerful groups about fertility or anything else is an infringement of the rights of the individual.)

Principles must be accordant with reason and experience. - It is curious that while the general sentiment in Ireland was a strong dislike of emigration, no attempt was ever made, even by propaganda, to curb it. It was tacitly accepted as a necessity; people in their actions and secret attitudes being generally more sensible than in their publicly assumed principles. Emigration was such an immense fact of Irish demography that, as recently as twenty years ago, three out of five children (on a net basis) emigrated and, we surmise, nine out of ten children gave emigration serious consideration. It has been succinctly stated that "emigration is part of the Irish system".

The fact that, as stated in Chapter 1, young people, perhaps for the first time in Irish history, decided that livelihood could be obtained in Ireland, is of very recent and short duration. We ask the question without propounding an answer: is the present low emigration rate "natural" for Ireland? If not, can we ever hope to reduce the present high unemployment rate to Western European levels? The economic and social boundaries never coincide with the geographical boundaries for any country in the modern world, less so for Ireland than for any other country. Full employment for the Irish is a tenable ideal, provided that the country of employment is not specified.

The principles involved here are the individual's freedom of movement and that it is better to have a job anywhere than to be idle at home. Again, these principles are subject to obvious qualifications. We hesitate to advance, as a social principle, parents' right to have as many children as they like. We take the view, rather, that social forces will lend, of their own, to limit the birth rate in Ireland.

We have suggested that, in future, emigration from Ireland, be it large or small, should be regarded as (and so termed) an aspect of mobility of labour. Irish workers abroad will retain their Irish nationality and domicile if they so desire. They will, in future, be properly educated and trained for their sojourns abroad. Their interests will be safeguarded, primarily by the Department of Foreign Affairs. Migration will cease to be the shame of the nation.

Having regard to the level and trend in the birth rate in other EEC countries, to say nothing of their value at home, Irish young persons, properly educated and trained (for the first time ever?) may be the nation's most precious asset.

The moral tone so far in this chapter is admittedly alien to ESRI studies yet, not only can we not avoid it, as necessary to an effective presentation of the unemployment situation, but we must accentuate it. We are ruefully aware that statistical presentation and economic analysis (normal for ESRI) are less successful in involving the public in the kind of crusade which we believe to be essential if an appreciable impact is to be made on this blight of unemployment.

So we assert that the national conscience must regard itself as involved in this matter. When the number of registered unemployed was half what it is at present (to say nothing of the worsened situation of the largely unregistered school-leavers) it was written:-

3

³ R. C. Geary and J. G. Hughes: "Certain Aspects of Non-Agricultural Unemployment in Ireland," ESRI Paper No. 52, 1970.

"In the classical words of the Unemployment Acts a person qualified for aid when 'able and willing to work but unable to find suitable employment'. That such people, through no fault of their own, should find their earnings reduced substantially is an affront to natural justice and a burden on the conscience of citizens in general.

"The ideal would be that every employee should have a civil service type contract, whereby his income is reduced, or ceases altogether only because of grave misdemeanour; it should not be reduced on involuntary unemployment. Apart from cost, there would appear to be no difficulty about administering such a scheme using the existing social security system."

The large majority of the labour force (even most of the employee class) are never threatened with unemployment even in bad times like the present. We believe that this majority must accept sacrifice to reduce unemployment. Sacrifice means willing acceptance of disposable earnings or profits below those which wage earners or employers would have the bargaining power to impose. While it is true that increased money income is an impulsion to home demand and hence to reduction of unemployment, the potential for export demand from reduction of employee remuneration is very much greater. Public works schemes will also be necessary, demanding a substantial increase in earmarked taxation, i.e. taxation specifically designed to reduce unemployment, with the effect of reducing disposable income of all classes. Recourse must also be had to internal and external loans. We believe that the public are far more ready for sacrifice than is commonly supposed if it can clearly be seen to be effective in substantially reducing the number of unemployed.

We also believe that those who still hold the old-fashioned idea that the unemployed are simply the work-shy have decreased in number to vanishing point. Many more, however, think that unemployment pay at its present levels is something like an equitable minimum wage. It is certainly true, as indicated in Chapter 1, that having regard to the Irish GNP we are probably doing more for our unemployed than is any other EEC country. However, our GNP is very low and the pilot survey (Chapter 4, part I) clearly shows that this is not enough in absolute terms.

At the end of Chapter 1 we give a list of approaches for the relief of unemployment, indicating that probably solution will be found in a mixture of the lot. Before discussing the various choices further we wish to call attention to a paper by our colleague, K.A. Kennedy,⁴ relevant to matters dealt with in this study. While the paper is very much the author's own he acknowledges his thanks for "helpful ideas" to no fewer than eight staff members (including one of us); that to a large extent the paper synthesizes ESRI ideas. Kennedy at our request has kindly supplied us with the following summary of his paper:-

4

"Planning and Employment" read at the Twenty-fourth National Management Conference, Killarney 1976, to be published in Administration.

"Planning is concerned with objectives (where we want to go), constraints (the limits on our freedom of action, including resource limitations), and instruments (the measures needed to achieve the objectives). Employment creation is suggested as the primary objective of any new national plan. The plan should be addressed particularly to the government measures required to achieve full employment. Should it be obvious that the measures available would be inadequate, consideration should be given to modifying the constraints to permit greater freedom of action. If the objective still cannot be achieved in full, it would be better to recognise this openly. In that way, the costs and benefits of the alternatives - emigration and/or unemployment - are more likely to be considered explicitly."

"The most essential ingredient of the plan is a restructuring of public expenditure and tax policies in the light of the employment objective. Since resources are limited, difficult choices are unavoidable. Choices also arise in relation to the exploitation of natural resources. Elementary processing operations alone may secure little expansion in employment, unless followed by the development of further downstream industries."

"The current debate on public versus private enterprise is considered hollow: what is needed is more enterprise generally. For private enterprise this involves a recognition of the need for profitability, but it is possible to devise instruments to ensure that profitability is more closely geared to employment expansion. Various means of encouraging new domestic private enterprise are proposed. For public enterprise, there is need for a clear definition of the criteria under which it will be expected to operate, bearing in mind that there may be a conflict between efficiency and detailed public accountability."

" The pursuit of higher real incomes by employees of all kinds represents a major constraint on employment creation. This constraint is unlikely to be eased on a voluntary basis, and the overall growth of output may be insufficient to satisfy pay demands except through an unsatisfactory rise in employment. Government measures to secure pay restraint are considered under six headings: (i) general statutory restraint; (ii) greater resistance to public sector pay claims; (iii) stiffening the resistance of private sector employers; (iv) fiscal measures to limit pay settlements or offset their effects; (v) profit sharing schemes; and (vi) devaluation. If all or most of these are ruled out, the objective of full employment may be unattainable. "

We have already indicated that we have no pretention to propounding a detailed solution of the Irish unemployment and underemployment problem. Our main objective has been to show that the problem is a very serious one and we shall be amply rewarded if we have done something to convince the public and the government of the fact. We are certain that the ordinary economic process, even with the favourable trend of the period of say 1960-1973, or the anticipated trend in the future will not solve the problem. Positive action must be taken, indeed the highest priority should be accorded to solution of this social evil. New organisations will be required.

Before expanding on the organisational aspect, let us make the point that, despite the foregoing citation of an "ideal" we have no illusion as to the difficulty of the tasks confronting us. It is a coincidence that the first time one of us heard the aphorism "the best is the enemy of the good" was from the director of the SESO of OPW forty years ago. We strongly endorse it now and advise against a "crash programme".⁵ The early stages will be learning stages for all concerned. It will be quite well enough to know, with this ancient problem, that we are at long last on the right lines for its solution.

Our most important recommendation is that there be set up a National Manpower Authority (analogous to the Industrial Development Authority) under the Minister for Labour, a development of the present National Manpower Service, taking over all the present functions and staff of that service but greatly expanding them. Its duty would be to set the greatest possible number of unemployed to work in an optimal way. Such optimality implies profitable or socially useful works, with high labour content, low cost per worker but adequate wages, reasonably high labour productivity in work initiated by the NMA. No programme can be optimal in all objectives: the NMA must find its way. It will be endowed with the highest prestige by its having ample funds (the very first essential!) and a wide discretion as to spending them. It will work closely with IDA and other existing authorities, public and private, to ensure that goods and services produced,

⁵ This is about the only point on which we seem to differ positively from E. Costa (Chapter 6).
However, here ^{and} as regards our other proposals, we are more concerned that no aspect should

whether for profit or otherwise, have a high labour content. NMA will require a highly competent research wing containing expertise in construction engineering, accountancy, economics and statistics always, and other consultative skills as required. We cannot overstress the importance we attach to research. It is not a matter of following the best international models. In our truly exhaustive search we have been unable to find any. Ireland must evolve its own methods. Not the least of our rewards might be in showing the world the way.

As to source of funds, this paper will have been a failure if it does not help to convince the EEC that the Irish unemployment problem is a very special case for a large grant, or a loan at a low interest rate. Perhaps the point at the end of the last paragraph might have weight.

At the end of Chapter 1 we listed, with some little preliminary comment, all the options open for mitigating the Irish unemployment problem. We end by making further comments on each of the approaches, in the light of knowledge gained during this research. When we started, our objective was to deal with the endemic problem. In the following comments we find it necessary to take the present recession situation (in its unemployment aspect) into account since we fear that this will be with us for a long time unless we do something on the lines indicated about it.

1. No change in policy. We hope that we have shown that this is unacceptable. It would mean little change in the present level of the LR for a long time to come. Policy should be directed towards getting work for the younger people so that those remaining on the register are the older. As the total LR gets smaller the country can afford to pay them the more. The long-term unemployed elderly people will mostly have been unskilled and therefore heavy manual workers, the less fit for such work as they get older, and cannot be criticised for lack of inclination for such work. Of course there will be exceptions. But one desirable objective will be an older LR.

The statutes should be relaxed to allow UB and UA applicants to earn up to one-quarter of the current pay for their usual occupation, with full UB or UA entitlement, with a relevant maximum.

2. The purely economic approach. This is, the most desirable as designed to produce goods and services for the market. IDA has been successful in attracting investment and creating employment and should be encouraged and financed towards even more intensive effort. We are quite sure that IDA is aware of the need for attracting and expanding labour-intensive industry, and its Director must be sympathised with when he explains that the world competition for industry is intense and we must take what we can get. Nevertheless the research departments in IDA and NMA must do their utmost towards identifying labour-intensive industry. Has sufficient attention been given to services, necessarily labour-intensive?

It goes without saying that the world economic situation is serious. As in the nineteen-thirties there are many prophets of the economic dawn but those of us who lived through it know that these were mostly false dawns which really ended only with World War II.

Even if the presentday optimistic prophets are right that we are slowly emerging from the depression, they say little about the effects on employment. We avoid arrogating to ourselves the role of prophecy, but we consider that the situation of full employment experienced by most economically advanced countries since World War II is unlikely to recur. We fear that unemployment has, more or less permanently, shifted to higher levels everywhere, in Ireland in particular. Perhaps other countries will have to adopt special measures as we recommend for Ireland here. Admittedly (as exceptions) the COMET model foresees a bright future for employment in France and Germany.

Has the recession (helped paradoxically by high wage levels and inflation) brought automation and the leisure age nearer?

3. Wage subsidization. This has had what we regard as a promising start. The Premium Employment Programme, announced by the Minister for Finance in his Budget statement in 1975, in so far as it relates to manufacturing

industry makes but a small dent in the total unemployed, about 4,000 in the first year. We hope the programme will be continued. Clearly the premiums should be increased and the programme extended to the construction and other service industries and to services themselves.

4 Direct labour. Most of the experience described in this paper, in Ireland in the past and in other countries in the past and present, has had to do with public employment relief schemes. Truth to say, our study has left us with the impression that these schemes have not been a great success anywhere except as ways for distributing a somewhat larger dole; we can at least, learn from mistakes.

An exception are agricultural schemes in Ireland which seem to have had useful results. Yet special work schemes generally must remain, especially at the start, the best way for absorbing sizable numbers of the unemployed. Only we must be careful not to call them "relief schemes", or select or operate them as if this were their character. The following seem to us rules to be observed:-

(i) Project leaders should be specially selected and trained in the very wide range of skills required, administrative as well as technical with close regard to the art of management. Some of the trainees may be found amongst the unemployed themselves. They will not be expected to be possessed of all the skills, engineering and other, but will know how and where to look for them. Their role will be that of manager (or "ganger" on smaller jobs) with wide discretion but observing general rules, including accurate record-keeping on centrally-determined models.

It is not to be expected that county engineers and other local officers can add to their duties the general overlooking of special works, though these works will normally be those which would fall to be executed by them, had they the necessary funds. The works must be carried out with the closest cooperation between the relevant local authority and the NMA or, at the local level, between the county engineers etc and the NMA manager.

Care must be exercised that special works are additional, and not just substitutional for works that local authorities would undertake anyway, hence with little or no addition to employment.

(i) One of the first duties of NMA will be the systematic collection of the thousands of tasks, large and small, which might be undertaken, with uniform particulars of site, nature of work, man years, fixed capital, labour, time duration etc. from which central NMA will make a selection, quasi-optimal in character.

(ii) A trained inspectorate will be appointed to report in uniform fashion, on the progress of the works undertaken.

(iv) A roster of applicants will be established, including school-leavers who do not normally register at the local offices of D/SW, with full CV particulars for each. Application for jobs on special works will be entirely voluntary, i. e. refusal will not disqualify the applicant for UB or UA.

Selection of applicants will be primarily on the basis of the best qualified to do the job, i. e. the standards will be those of a private employer. There will be ways, however, in which this prime consideration can be mitigated in hard cases.

(v) Past experience in Ireland has shown that to a large extent work sites do not correspond with place of residence of the unemployed. This means that lodging must be provided for many workers. Travel and subsistence must

be provided for workers who have to travel. We have no recommendations to make about lodgings except to remark that they can be a serious problem.

(vi) A kind of rule emerged from previous Irish experience, that small jobs were for direct labour (i. e. the ganger under the direct control of the NMA manager) and larger works should be contracted out, the contractor using the labour designated by NMA. While this arrangement, as regards contracting out, may make for efficiency as measured by total cost of the work, it will probably result in a smaller aggregate wage cost (the contractor having to get his profit) than might otherwise be the case.

We do not wish to be dogmatic or doctrinaire on this point. Each case should be considered on its merits. Unless due regard be given to economy with the vast sums involved, efficiency and general factor and labour productivity, the whole idea of special works on the scale required may founder at the start. The best way to endow special works with prestige and to remove from them the stigma of relief, is to devise their methods and to judge their results by business standards.

The trouble is that a private contractor may be prone to regard a particular job as he would any other, i. e. to be tendered for on a cost plus basis. As everyone knows, the "plus" part is so large in connection with building repairs (and many small special works will be regarded as analogous to these) that householders are prone to have them done by handymen at a small fraction of the charge which a building firm proper would make.

Cost-efficiency is of the very essence of special works and NMA must give this problem special consideration. The answer may be that when the works are on a scale requiring professional skills (including the contractor's) these should be paid for on a fee basis.

(vii) (ii) The cooperation of ICTU will be sought to ensure that wage demands for special works while fair are not excessive. The lower the wages the more the projects that can be undertaken. The full approval of the TU movement will be necessary if the whole new special works scheme is to be a success. It may well be that ICTU and other important bodies may have to alter their traditional sights in this process.

5. Local Industries etc. There have been complaints in the press at the absence in Ireland of goods (mainly for tourists) of an essentially Irish character; making such goods requires skill and skill requires training. The few Irish artefacts already available are so good as to encourage the notion that, especially amongst women in rural areas, home workers and small industries could considerably increase the incomes of participants and so gather up some of the slack of underemployment.

With organisation we consider that added income could be considerable if, as was anticipated in better times, tourism was to become our largest non-agricultural industry. Sales to tourists would mitigate our import balance, one of the main deterrents to economic advance. We could make our own prices for characteristically Irish goods and, to that extent, protect ourselves from that economic bugbear, international prices. NMA should consult Kilkenny Workshops and other practitioner bodies on this proposal.

6. Migration. We have dealt at some length with this topic in Chapter 1 and elsewhere in the paper. We have suggested that in view of traditional unhappy associations the term "emigration" should be changed to "labour mobility". We indicated that this is not merely a change of words. The Irish mobile worker will be a different persona from what he or she so often was in the past, especially in the fact that he/she will be properly trained and

educated and, as the need requires, looked after by the Irish authorities.

It is a great advance that Irish migration is at last officially recognised as a fact of Irish life, and not as the shame of the nation as it was in the past. This is partly the result of our EEC membership, whereby we are subject to the EEC Regulation of Free Movement (of workers). But there is also the 1969 Committee set up by the Minister for Labour. If this Committee's prime object seems to be to encourage emigrants to return to Ireland, it also provides for allocation of grants to voluntary organisations in Ireland and abroad which assist emigrants. We heartily commend the work of these organisations but we do not see why the more important of them should remain "voluntary".

We have given reasons why we think that when a world economic upsurge gets well under way again there may be a renewed demand abroad for Irish workers. This is speculative. In the longer term, effective demand will depend on the relative trends of the birth rates in Ireland and the advanced industrial countries. We have also indicated our apprehension that recovery will take longer than most experts think; and that, when it comes, it may not have a major effect on existing unemployment levels at home and abroad i. e. it may be capital-intensive, so with a lesser demand for immigrant labour.

7. Education and training

Not only in Ireland but in the world generally there is a realisation that at all levels, but especially at that overwhelmingly most important level, the primary, education should be a training for life. Primary education in so far as it succeeds in imparting the three Rs has gone far on the way in preparing the future worker for life.

Having regard to the huge drop-out rate before completion of the primary state examination and
/from other evidence, we believe that closer attention be given to reading and writing at least. As a training for life, bluntly a training for jobs, we are convinced

that, at all levels, choice of subjects could be improved and the content of existing subjects made more useful. Culture is important - it is the end of man - but demand for it can be imparted to young people better through teaching basic subjects properly than by direct methods. AnCO, vocational training and training on the job are on the right lines. They need only extension.

The foregoing remarks are relevant to the whole population and not only the minority exposed to the risk of unemployment. Education, of itself can do much to lower the endemic level. The argument is almost syllogistic: to a large extent the high percentage unemployed is due to the high rates amongst the unskilled indicating too large a labour pool of unskilled; the unskilled are largely undereducated and untrained; hence by improving education and training the number of unemployed will be reduced.

Every effort, including financial inducement, must be made to induce the unemployed to continue their schooling, training and retraining, especially the younger unemployed. It will be of great importance to convince these people that the training they get will be useful for getting them jobs. And the best way to convince them is to get jobs at home or abroad or alumni of such courses.

Agriculture Almost as a last word we ask: is the continuing decline in manpower in agriculture as inevitable as is almost invariably assumed? Almost the main deterrent to a decline in the number of unemployed has been the shedding of manpower from agriculture towards the non-AFF labour pool. We are told that this depopulation has reached the point where present-day farmers have no heirs on the farm; if this accentuates the elimination of the small uneconomic farms by consolidation it might be a good thing but it offers only a poor employment prospect. Must agriculture become a capital-intensive industry in Ireland?

If any sector wanted the new outlook we have been pleading for, it is agriculture. One senses a note (sometimes indeed a full symphony) of fatalism in most, even sophisticated discussions on Irish agriculture. But also it has been authoritatively stated that the physical output of our magnificent natural pastures could quadruple. Yet on a large part of the land of Ireland (that land for which as patriots we are prepared to die) the physical standards of agricultural practice are deplorable; pace the Land Acts; could good husbandry not be made an essential condition for operating a piece of our national heritage? Under the CAP the tendency of farmers to seek economic salvation through prices, instead of quantum and quality, has been exacerbated.

As to outlook, a grave impediment to real progress in agriculture is the tendency towards selfpity, not only in the farmers themselves but in their associations, amongst agricultural officials and nearly everyone (except the public who have to pay) directly concerned with agriculture. This attitude must be changed towards a strongly self-critical one before there can be real improvement. Irish agriculture must increase in efficiency, in finding new products and raising output of existing products suited to Irish soil and climate, and in all other respects, to obtain and to hold a larger share of the vast EEC market, to say nothing of the rest of the world, including the huge hungry part of the Third World.

If it be argued that agriculturally Ireland is no worse off than elsewhere in EEC, we suggest that Ireland should consider the advisability of being the exception, instead of externally following the band.

Our object in this chapter has been to produce a document for discussion by experts rather than to aspire to a definitive programme for action. We assume that E. Costa's Chapter 6, has the same character: it is for this reason that we present it without our comments.

Costa has indicated that the cure of Ireland's worst social evil, or even action directed towards a cure, will be extremely costly. Hence attention must be given to the efficiency of the methods adopted which will require great research effort.

The problem will remain unsolved unless there is a fundamental change in attitude on the part of the Irish public as a whole. Everyone concerned, including the unemployed themselves, must be imbued with a spirit of understanding and generosity, in fact Charity itself, in the truest sense.