The
Economic and Social
Research Institute

THE DISTRIBUTION OF INCOME IN THE REPUBLIC OF IRELAND: A STUDY IN SOCIAL CLASS AND FAMILY-CYCLE INEQUALITIES

DAVID B. ROTTMAN DAMIAN F. HANNAN
and
NIAMH HARDIMAN, MIRIAM M. WILEY

Paper No. 109 April, 1982

THE ECONOMIC AND SOCIAL RESEARCH INSTITUTE
COUNCIL, 1981-1982

*T. K. WHITAKER, M.SC. (ECON.), D.ECON.SC., LL.D., *President of the Institute.*
*J. F. MEENAN, M.A., B.L., *Chairman of the Council.*
R. D. C. BLACK, PH.D., *Professor, Department of Economics, The Queen's University, Belfast.*
F. B. CHUBB, M.A., D.PHIL., *Professor, Department of Political Science, Trinity College, Dublin.*
*SEAN CROMIEN, B.A., *Second Secretary, Department of Finance.*
G. DEAN, M.D., F.R.C.P., *Director, Medico-Social Research Board.*
N. J. GIBSON, B.SC. (ECON.), PH.D., *Professor, Department of Economics, The New University of Ulster, Coleraine.*
PATRICK A. HALL, B.E., M.S., DIP.STAT., *Director of Research, Institute of Public Administration.*
*W. A. HONOHAN, M.A., F.I.A.
THE MOST REV. JAMES KAVANAGH, M.A., S.T.L., *Bishop of Zerta.*
*KIERAN A. KENNEDY, M.ECON.SC., B.PHIL., PH.D., *Director of the Institute.*
MICHAEL J. KILLEEN, B.A. (MOD.), B.COMM., D.P.A., *Chairman, Industrial Development Authority.*
T. P. LINEHAN, B.E., B.SC., *Director, Central Statistics Office.*
*P. LYNCH, M.A., M.R.I.A.
CHARLES McCARTHY, PH.D., B.L., *Professor of Industrial Relations, Trinity College, Dublin.*
*EUGENE McCARTHY, M.SC. (ECON.), D.ECON.SC., *Director, Federated Union of Employers.*
JOHN J. McKAY, B.SC., D.P.A., B.COMM., M.ECON.SC., *Chief Executive Officer, Co. Cavan Vocational Education Committee.*
D. NEVIN, *General Secretary, Irish Congress of Trade Unions.*
THE MOST REV. J. NEWMAN, M.A., D.PH., *Bishop of Limerick.*
TADHG Ó CEARBHAILL.
*TOMÁS F. Ó COFAIGH, *Governor, Central Bank.*
REV. E. F. O'DOHERTY, M.A., B.D., PH.D., *Professor, Department of Logic and Psychology, University College, Dublin.*
D. P. O'MAHONY, M.A., PH.D., B.L., *Professor, Department of Economics, University College, Cork.*
JAMES O'MAHONY, B.A., B.COMM., D.P.A., *Secretary, Department of Agriculture.*
LABHRAS Ó NUALLAIN, D.ECON.SC., *Professor of Economics, University College, Galway.*
B. PATTERSON, B.A., M.I.I.E., A.I.P.M., *Director General Designate, Irish Management Institute.*
REV. L. RYAN, M.A., D.D., L.PH., *Director, Department of Social Studies, St. Patrick's College, Maynooth.*
*W. J. L. RYAN, M.A., PH.D., *Professor of Political Economy, Trinity College, Dublin.*
T. WALSH, M.AGR.SC., PH.D., D.SC., M.R.I.A., *Director, ACOT.*
*REV. C. K. WARD, B.A., S.T.L., PH.D., *Professor, Department of Social Science, University College, Dublin.*
*NOEL WHELAN, B.COMM., M.ECON.SC., PH.D., *Secretary, Department of the Taoiseach.*

*Members of Executive Committee.

THE DISTRIBUTION OF INCOME IN THE REPUBLIC OF IRELAND: A STUDY IN SOCIAL CLASS AND FAMILY CYCLE INEQUALITIES

Copies of this paper may be obtained from The Economic and Social Research Institute (Limited Company No. 18269). Registered Office: 4 Burlington Road, Dublin 4.

Price IR £5.50

(Special rate for Students IR £2.75)

David B. Rottman is a Research Officer and Damian F. Hannan is a Research Professor at The Economic and Social Research Institute. Niamh Hardiman and Miriam M. Wiley are former Research Assistants at the ESRI. The paper has been accepted for publication by the Institute, which is not responsible for either the content or the views expressed therein.

THE DISTRIBUTION OF INCOME IN THE REPUBLIC OF IRELAND: A STUDY IN SOCIAL CLASS AND FAMILY CYCLE INEQUALITIES

DAVID B. ROTTMAN, DAMIAN F. HANNAN,
and
NIAMH HARDIMAN, MIRIAM M. WILEY

DUBLIN, 1982
ISBN 0 7070 0047 5

Acknowledgements

This study was made possible by the co-operation of the Central Statistics Office (CSO) in providing the necessary analysis of the *1973 Household Budget Survey* results. The specifications we devised for the data analysis were translated into computer programs and by special arrangement the CSO ran those programs on the *1973 Household Budget Survey* tapes, forwarding the results to us after ensuring that all obligations of confidentiality to respondents had been satisfied. We are grateful to the CSO for their co-operation and to the individuals within the CSO who were involved in responding to our requests.

We are also indebted to Dennis Murphy of the Regional Technical College, Galway and to Michael Ryan of the Regional Technical College, Waterford for providing us with preliminary results from their research on social backgrounds of students in those institutions. We are similarly grateful to the various third-level institutions who responded to our requests for information on student backgrounds.

Earlier drafts of this paper benefited from the critical comments of our ESRI colleagues, Terry Baker, Kieran Kennedy, Philip O'Connell, Dale Tussing, Brendan Walsh, and Chris Whelan, and from those made by various government departments, and by the external referee. We retain full responsibility for all interpretations found in the paper and for any errors it may contain.

CONTENTS

LIST OF TABLES

LIST OF FIGURES

Page

General Summary

This report gives the results of an investigation into the extent and the nature of income inequality in contemporary Ireland. Beyond the obvious task of describing that inequality, we have two basic objectives. The first is to clarify the linkages that exist between the nature of Irish society and the distribution among households of particular levels of financial well-being. This involves us in an analysis of the processes by which income is generated: the resources used — skills, credentials, or property — to obtain it, the amount of "economic effort" expended in doing so, and the security of the result. The second objective is to understand the impact of the state's taxation and transfer system on the distribution of income. Such policies potentially act to equalise income differences by using revenue from taxation levied on the well-to-do for the purpose of augmenting the living conditions of the less well-off. We assess the extent to which these policies succeed in re-distribution for direct taxation and transfers.

The topic of inequality presents us with a broad canvas. To bring coherence to our inquiries we use a model that treats social class and family cycle as the main dimensions of income inequality. Social class represents consistent household differences in control over economic resources that are used to generate income. These resource differences among families become reinforced by highly structured social processes that create closed social groupings: by infrequency of inter-class mobility, by residential segregation by social class, and by shared life experiences within a class. Social class differences are thus of particular importance — they tend to be perpetuated throughout one's lifetime and to be reproduced from generation to generation. Family cycle, in contrast, refers to changes in the availability of income and in the expenditure demands on that income experienced by all families as they move from formation to eventual dissolution. Inevitably, mismatches occur over the cycle between income and the number of dependants.

Two chapters which explore the relationship of social class and family cycle to income determination form the core of the report. Class differences are considered first, in Chapter 3, followed by the analysis in Chapter 4 of income inequalities over the stages of the family cycle and an assessment of the combined effects of social class and family cycle.

The information for this analysis is from the *1973 Household Budget Survey:* until the results of the 1980 national survey become available, the 1973 data

offer the only available source for an analysis of the distribution of income in Ireland. A vast array of material on the composition, circumstances, income, and expenditure of the 7,748 households is included in the survey. Thanks to the full co-operation of the CSO, we were able to construct our measures of social class and family cycle and to analyse the associated inequalities. All analyses were adjusted to correct the sample for under-or over-representation of particular household types. Using the specifications we had devised for the analysis, the CSO carried out the computer analysis and forwarded the results to us having ensured that all obligations of confidentiality to respondents had been met.

Chapters 1 and 2 establish the groundwork that is needed to interpret the nature of the inequalities observed. Topics considered include the overall level of income inequality and the impact of the state in Ireland compared to other countries, the changing structure of inequalities in opportunities for generating income over the past six decades, as well as inequalities in educational participation and in social mobility. These provide the context through which income inequalities become explicable.

Chapter 5 is devoted to examining the particular inequalities that bring about poverty. It is concerned mainly with identifying the socio-economic characteristics of the poor, and with the effectiveness of the state policies in combating poverty.

A full summary of the paper's findings and conclusions is left to Chapter 6. In particular, we highlight the extent and nature of income inequality, the current redistributional consequences of state taxation and transfer policies and the potential for their more efficacious use. However, our aim is analytical, not prescriptive, to place the existence of these inequalities beyond dispute and to clarify the "social geography" of income inequality in Ireland.

The Context of Inequality

International comparisons indicate that the level of income inequality in Ireland is somewhat above the average in other western industrial societies. It also appears that the effects of state taxation and transfer policies are relatively modest, the net reduction in the amount of inequality that is effected falls below that in, say, the UK or Sweden, though international comparisons are necessarily tentative in these instances.

There is also evidence that inequalities in access to education and in the level of social mobility are deeper in Ireland than in many, though not all, western industrial societies. In part, this is attributable to the manner in which Ireland experienced industrialisation: rapidly and recently. As opportunities for agricultural employment declined and those for employment in white collar and skilled industrial positions expanded, a new hierarchy of

positions in the economy was established. Irish society, once dominated by the structuring principle of family-owned property, was by the 1970s differentiated sharply according to class-linked packages of skills and qualifications attained mainly through education. The newer and more advantaged opportunities in white collar or skilled manual employment were disproportionately assumed by the already privileged middle-class and substantial farm families. Those unable to secure such positions emigrated or remained in marginal farming or labouring categories.

Once secured, such advantages tend to be perpetuated. Participation in second-and third-level education is severely restricted: the children of upper middle-class and substantial proprietorial families are extraordinarily overrepresented among students at those levels as judged by their share of the college age cohort. We estimate that nearly three-quarters of the children of members of the major professions now enrol in third-level institutions; this is achieved by less than eight per cent of the children of skilled manual workers and by less than four per cent of unskilled manual workers' or agricultural labourers' children. The improved educational opportunities effected during the 1960s and 1970s have been disproportionately utilised by those from middle-class backgrounds. Working class and marginal farming categories did record gains over those years in their educational participation rates, but these were insufficient to alter a virtual middle-class monopoly of third-level education.

Class Inequalities in the Distribution of Income

To study income inequalities we divide households into 14 economic class categories, each category representing a distinct market capacity. Distinctions are made in terms of propertied/non-propertied; employer/employee; by size of enterprise for proprietors and by level of qualifications for employees. Underlying these categories are four social class boundaries: (1) a bourgeoisie, comprised of substantial property-owners, in both agricultural and other pursuits; (2) a *petit bourgeoisie* of farmers, divided into four economic classes based on their resources and one of non-farmers without employed labour; (3) a middle class of non-manual employees, divided by educational attainment (higher professions, lower professions and intermediate non-manual); and (4) a working class, which included four distinct economic classes: skilled manual, service, semi-skilled manual and unskilled manual workers.

Clear and substantial income inequalities coincide with these class boundaries. This is true not only for the level of income, but for the amount of effort required to achieve it, the manner in which it is composed, the extent and nature of the role of the state in levying tax and supplementing income through transfers and the pattern of income expenditure. All are class-linked. Class

income differentials demand more attention from policy makers and from researchers.

Head of household direct income (earned income of a recurring nature) is the clearest reflection of market capacity. Inequality among class categories at that level is considerable for employees: a manual/non-manual divide emerges with great clarity, as does an income hierarchy on each side of that divide; and among proprietorial households, differences in returns from property were just as clearly distributed. Large proprietors report the highest average earnings — six times greater for their household heads than for unskilled manual workers.

Inequalities among class categories are greatly reduced by the apparent ability — or the necessity — of working class and the more marginal property owning categories to augment the head of household's income with that obtained by other household members. Supplementary income earners contribute one-half of the direct household income in unskilled manual workers' households and nearly as much in those of marginal farmers. In evaluating the relative situation of various categories at the household level we should bear in mind the amount of effort that underlies, on average, a category's income level.

The components of household income also vary by one's market capacity. A multiplicity of sources can represent marginality: one's primary resource is inadequate and perhaps unreliable. This is manifest in dependence on the state and, in the case of the *petit bourgeoisie,* in dual reliance on property and wage income. The contrasting situation is that of financially secure categories, such as large proprietors and higher professionals, in which the primary income source is supplemented by returns from investment. As with income levels and the importance of additional income earners, the salience of the nature of one's credentials — manual or non-manual — is clear, as are subpatterns based on the quality of resources, regardless of type.

The effects of taxation and transfer programmes are, in social policy terms, the most interesting as they can be altered in the short run. State transfers represent one-tenth of average gross income in the full sample, but nearly one in four households depends on the state for at least 30 per cent of their gross incomes. Marginal farmers and unskilled manual workers are, as categories, significantly dependent on the flow of state transfers. Nearly half of all marginal farm households and four of every ten unskilled manual worker households depends on the state for 30 per cent or more of their gross incomes. That dependence on the state is a consequence of poor and declining market capacities, and even substantial transfers leave the disposable income of such categories significantly below those in all other class categories.

The prevalence of state transfers is remarkable. Of all households in the

sample, nearly one half were in receipt of some state transfers other than Children's Allowances. The distribution of such receipts closely follow the class structure: the common plight of marginal property owners and the marginal working class, and a division on the basis of manual or non-manual market capacities.

The fiscal relationship of class categories to the state is very complex. The net effect of the transfers received and the taxation paid, and especially the amount of tax one pays in the form of income tax and social insurance contributions, is not, in Ireland, related to income level in a straightforward manner. A class analysis clarifies why this is so. The ability of property owning class categories to minimise their outlays in the form of direct taxation results in an extraordinary distribution of households which are net beneficiaries of the state's re-distributive activities. Some categories remain effectively untaxed though benefiting substantially from state income support programmes. Membership in such a favourably situated grouping is largely limited to property owning households. The more marginal the property resource, the greater the net benefit, but *all* farm categories emerge as net beneficiaries of the direct taxation and transfer policies of the state. Only one category of employees emerges as a net beneficiary — unskilled manual workers. However, the disadvantage of being within the direct PAYE net, as indicated both by the average tax payment and the proportion of households paying tax, sharply diminishes the size of the net flow such households realise from the state.

White collar (mainly employee) households are the major net contributors to the state's revenues. Typically they receive the smallest amount in transfers and pay in direct taxation amounts far in excess of other categories; the contrast to the situation of property owning households with similar income levels is sufficiently strong to be singled out: the difference is widely acknowledged, but the implications are of particular importance. Though the state does re-distribute through its revenue generating and income support actions this is not accomplished by a simple transfer of resources from the top to the bottom of the income hierarchy — class intervenes, for some groupings very remuneratively.

Family Cycle and the Distribution of Income

The changes in consumption requirements and income possibilities that households experience as they move through the family cycle are partly independent of class boundaries. We consider ten distinct stages to the cycle:—

1 Young Single	2 Young Married	3 Family Formation
4 Middle Child-Rearing	5 Complete	6 Early Dispersal
7 Dispersal	8 Two Generation Adult	9 Empty Nest
10 Old Single		

Income inequalities are systematically associated with changes over the family cycle. In the full sample, household disposable incomes are highest, on average, at Stage 6, Early Dispersal, where the balance between income earners and dependants is most favourable. Stages 3 through 6 form an ascending series of averages, while from Stage 7 onwards income declines. The level of inequality found for the households on this dimension, though quite substantial, is not as strong as that among class categories. Moreover, the impact of additional income earners in reducing inequalities and the role of the state, while identifiable, did not generate the same magnitude of alterations to inequalities in head of household direct income as it did for class.

The needs of households, as reflected in demands for consumption, vary more strongly over the cycle than does income. The resulting mismatches of income and income requirement form "targets" for social policy. In terms of expenditure requirements, financial well-being is most precarious at the middle stages of the family cycle, where dependants substantially outnumber potential earners. If we consider expenditure requirements, the discrepancy between available income and need is even more pronounced at the middle, child-rearing stages.

State policy on taxation and transfers does little to correct that imbalance. Transfer programmes are structured to direct a substantial flow of cash subsidies to household with dependent children. Similarly, the reduced income tax burden for families with numerous dependants is to the advantage of households at the child-rearing stages of the cycle. The combined effect of direct taxation and direct transfers is insufficient, however, relative to the clear and pressing burden of dependency. This contrasts with the substantial loss experienced on average by households in the early stages of the cycle, where high tax burdens and low inflows of transfers are recorded, and with the final stages, where direct transfers exceed substantially the average amount paid as direct taxation.

Our overall assessment is that re-distribution does occur among households at different family cycle stages. Typically, the transfer is from the relatively unburdened early stages and the dispersal stages, in which a large number of income earners are present. The net contributions being made by those households is primarily of benefit to households at the middle child-rearing stages and to households in the late stages of the cycle.

As we noted, the resulting re-distribution is not sufficient in relation to the burden of dependency; nor is it sufficient to alleviate the very low incomes found late in the cycle. Our analysis also raises questions of equity in the effect of the state on households in the dispersal stages. In those stages, head of household earned income is lower than at early stages, with additional income earners compensating and thus closing the gap between income flow and

consumption requirements: the highest direct incomes are recorded for these stages. The presence of many income earners and fewer dependants, however, results in a substantial income tax burden, which, in conjunction with their relatively slight inflow of state transfers, leaves households in the dispersal stages materially less well off from state interventions.

Class Variation in Family Cycle Inequalities

The pattern of family cycle income inequality varies significantly by social class. Although the basic hierarchy of class income differentials is evident throughout the cycle, there are important ways in which classes differ in the location of stages with the highest and lowest incomes and in the effects from state policy.

Perhaps the most basic point of class variation is the stage of the cycle at which the household head's income will peak. In working class households, that peak is early in the cycle, with middle to late stages registering a descending series of average incomes. The result is a serious mismatch between income and need for stages in which dependent children are present and a highly precarious existence for households in the final stages of the cycle. In contrast, middle-class categories tend to record incomes that are highest in the complete and dispersal stages, with average income rising steadily until that point. Proprietorial categories tend to have the most even distribution of income across the family cycle, and are protected, relatively, against the abrupt decline most employee categories experience late in the cycle.

Working-class households are affected by the state in a manner closely related to their strong reliance on subsidiary direct income earners. At the dispersal stage all working class households, including those of unskilled manual workers, are, on average, net contributors to the tax and transfer system. And, in the case of all but the unskilled manual category, that net contribution is a substantial proportion of direct income. Such households are also likely to be substantial contributors in the early, pre-marriage/pre-child rearing stages of the family cycle. But working class households cannot rely on a compensating flow of transfers in return at the family formation and child-rearing stages.

So for even the more disadvantaged of working class categories it appears that transfers received by households at one stage will have been paid for by tax paid by households at other stages. In contrast, proprietorial households, including all but the most marginal of farms, are relatively unaffected by taxes and transfers at any stage. The adjustments made are rarely substantial even at the highest average incomes and there is little obvious re-distribution across the cycle. Nor are such households likely contributors to transfers being made to households in other class categories. Property ownership appears to have

secured an advantaged relationship to the state taxation and transfer activities, one that translates into an economic advantage even beyond that conferred by the market.

These class differences in the effects of taxation and transfers on household income build into a re-distributive mechanism with rather unusual features. Within most class categories transfers occur from stages in which tax liabilities are concentrated on those stages in which eligibilities for benefits and/or tax allowances are maximised. Substantial proprietorial categories are the only exceptions. Their exclusion leaves the burden of vertical transfers to be assumed by white collar households, which are net contributors to the state at all stages of the family cycle. Re-distribution over the family cycle is occurring, but the finances for doing so are not drawn in a manner that is linked to a category's ability to contribute.

Poverty and Income Adequacy

Poverty is an inadequacy of income relative to need. Where a low income prevents a family from participating in society meaningfully, with concerns disproportionately directed at the problems of satisfying basic needs, we obviously should highlight their situation. In doing so, we differentiate the risk of being in poverty, the percentage of a particular class or family cycle stage that is in poverty, from the incidence of poverty, which is found in the proportion of the poor that a class or family cycle stage represents.

Our definition of need is taken from the entitlements made to households by the Unemployment Benefit programme. Each household's composition determines the income level equivalent to its needs.

Analysed in those terms, the risk of poverty is found to be particularly acute among working-class households without an employed household head. The proportion of working-class households without an employed head is substantial even at the early and middle stages of the family cycle: a fifth or more. Poverty risk is also high among marginal and small farm households.

State interventions can be seen to have a significant role in lowering the risk of poverty in all class categories. The intervention appears to be far more efficient, however, in the farm sector than elsewhere. A substantial flow of state transfer payments to small and marginal farm households significantly reduces the income inequalities among the four categories of farmers that we considered.

In family cycle terms, the risk of being in poverty is greatest for the elderly; but a nearly equivalent risk is to be found at the middle stages of the family cycle, the ones in which a substantial number of dependent children are present. This concentration of poverty risk in the middle and final stages of the cycle occurs despite considerable transfers from the state. The efficiency

of state interventions, as measured by the reduction in poverty risk that can be attributed to the net tax/transfer effect, is greatest at the middle and dispersal stages of the cycle. As we have noted in other contexts, however, that intervention does not correspond to the level that is required. It is also clear that many households with young families are highly dependent on the state as a source of income.

There are clear class differences in the spacing of poverty risk over the family cycle. Risk for employees is concentrated in the late stages of the cycle: after retirement. That risk is substantial for all such categories, even for white collar households. In contrast, property income, even when derived from the most marginal of properties, results in a more even distribution of poverty risk over the family cycle. The transition associated with old age seems less abrupt for property owners, and non-farm proprietors have by far the lowest levels of poverty risk in the final cycle stages.

If we compare class categories and family cycle stages in terms of the incidence of poverty — as measured by the proportions of all poor households a particular category, stage, or category/stage combination represents — we find that nearly 40 per cent of poor households are from the working class and just over one-quarter from the farm sector, close to their shares in the population. White collar households represent about five per cent of the poor and proprietorial households, three per cent. The remaining quarter of the poor come from the category we have treated as a residual. Such households are not regular participants in any form of economic activity. For the most part the category consists of households which lack, and have probably always lacked, all but the most marginal of market capacities. Among working class households the incidence of poverty is concentrated among those without employed heads — 85 per cent; farm households in poverty are predominantly on small or marginal holdings.

The elderly represent more than a third of all poor households, and households in the final two stages of the cycle combine to represent more than one half of the poor. But more than one in five of all poor households have small children present (Stages 3, 4, and 5). Poverty is not a problem restricted to those made marginal by age — it is present at all stages of the family cycle, with the exception of the initial stages, at which both risk and incidence are low.

Conclusion

This summary, like the report itself, can highlight the extent and nature of such inequalities. They are quite real. Given the apparent structure that underpins the existing inequalities through restrictions on educational participation and on social mobility, the inequalities we described in 1973 are likely

to be perpetuated. Indeed, analysis of more recent income data, from the *1978 Household Budget Survey* of urban areas, suggests that social class and family cycle inequalities have not altered substantially. In the course of high inflation and changes in state policy, some groups have improved their situations while others have lost ground. But the distribution of income as we have outlined it remains valid.

Chapter 1

THE DIMENSIONS OF INCOME INEQUALITY: SOCIAL CLASS AND FAMILY CYCLE

Introduction

This is a study of income inequality in contemporary Ireland. Other forms of inequality are considered — in access to education, for example — but their inclusion is to assist in understanding the distribution to various social groups of differential amounts of income and degrees of security for that income.

There are two basic factors affecting income distribution in Ireland today. The first is to be found in the characteristics of the economic system itself and particularly in the pattern of labour force participation: these establish the extent and the distribution of inequality. Industrial expansion and economic growth have indeed altered the framework within which households and individuals seek income from the various markets — commodity, labour, and credit. But one's resources in those markets, by and large, now, as formerly, determine one's income. The second basic factor only comparatively recently assumed major weight: the role of the government as a purveyor of income support and of services such as housing and education, both through subsidies and direct provision. Whether intentionally and planned, or unanticipated and by default, government tax and transfer policies have distributional consequences; potentially, they act to equalise by using revenue from taxation to augment the living standards of the less well-off. The efficacy of the result, however, varies with the nature of the tax and the nature of the transfer: which households are net contributors and which are net beneficiaries.

This is a study of the consequences of the two basic processes of income determination: (a) economic participation through resources that range from shares and property to wage labour and (b) the net effect on a household of the combination of the tax it pays on its earned income and the transfers from the state that it receives. Our two main dependent variables will be direct income (sometimes termed earned income) and disposable income (sometimes referred to as net income). Because of our interest in security of income and the level of effort that underlies a given income level we distinguish between the direct income generated by the head of the household (head of household direct income) and the total household direct income. It is an important distinction for some types of households, particularly for working class and

marginal farm households, in which the contribution made by other household members to the total income available is often substantial.

In terms of our two household level dependent variables, household direct and household disposable income, we are consistent with the growing literature on income distribution in the Republic of Ireland. The focus of that literature has been on the impact of state taxation and transfer payment policies on income distribution, which perforce involves a comparison of direct with disposable household income, the difference reflecting the net effect of state policy (see NESC, 1975; Norton, 1976; Geary, 1977; Nolan, 1977/78; Nolan, 1981; CSO, 1980). We also share with our predecessors a common data source, the *1973 Household Budget Survey*. The use of that source, which is designed primarily to yield data on household expenditure that can be used in constructing the consumer price index, imposes certain limitations and difficulties. These, too, we share with other writers on income distribution; the appropriate sections of the paper will discuss the necessary cautions and the steps taken, where possible, to make adjustments. However, the major limitation is clearly the date of reference, 1973. Until the results of the 1980 national survey become available for analysis, the 1973 data will remain the only basis for a national level study of income distribution in Ireland.

Though familiar in theme and in the type of data analysed, this paper will depart in some basic respects from what has been done thus far. Our approach is sociological, in contrast to the economic model implicit in most work on income distribution. The changed emphasis is most concretely evident in the use to be made of the two basic concepts — social class and family cycle: vertical inequalities among households will be specified as differences between social classes and horizontal inequalities will be treated as differences across the family cycle.

So the model we adopt stresses the importance of social class and family cycle as sources of income inequality among households. Social class in our sense represents consistent household differences in control over economic resources used for generating income, differences that have been reinforced by social factors that tend to create "closed" social groupings. Factors such as the infrequency of inter-class mobility, and residential segregation by class, index that closure. Family cycle, in contrast, represents the exigencies of income availability and expenditure requirements that are to some extent associated with the life stages through which all families move. However, the pattern and the magnitude of such changes can be shown to vary among social classes, generating other class-linked inequalities.

This introductory chapter has two main purposes, both of which involve the provision of background information to the reader that will, we hope, facilitate analysis of the income data that forms the core of the paper. The first

purpose is to make concrete to the reader what is meant by inequality in Ireland and the role of the state in income re-distribution: how can these be measured? The second purpose is to state in more detail the model of income determination that underlies our work. As we already noted, that approach, a combination of social class and family cycle, departs significantly from that which guides most previous work done in Ireland.

So the section that follows briefly summarises what is known about income inequality in Ireland. This can be regarded as common ground shared by all studies, including the present one. A separate section considers what is distinctive to the mode of explanation we have adopted for that measured inequality. In a concluding section, the data to be used will be considered — its sources, limitations, and problems of interpretation.

Inequality and Re-distribution

The baseline we wish to establish is the amount of inequality present and the impact of the state in mitigating the consequences of that inequality. One approach is to establish where Ireland stands in comparison to other countries with broadly similar economic and political systems. This can be done once we agree on an appropriate measure of inequality and find a set of countries that includes Ireland for which comparable income data are available.

Measuring inequality in a nation's distribution raises both conceptual and technical issues that should guide the choice of the most appropriate index. One response to the issues involved is to present an array of measures; but failure to make the appropriate selection is hardly excusable.

A valid measure of inequality will be sensitive to transfers of income from high to low income households, or vice versa. Dalton's principle (1920) argues that whenever income is transferred from one household or person to someone with a higher income, the measure of inequality should increase, irrespective of their incomes or the amount exchanged; but, Dalton argues, the choice of measure inherently involves a value judgement (Allison, 1978) — what type of income distribution do we prefer? Specifically, measures evince sensitivity to different parts of the distribution and reflect differently the size of a transfer.

Interpretability and responsiveness to what is occurring at the two extremes of the income distribution are the traits we need in a measure of inequality. Therefore, we adopt the ratio of the income share of the most well-to-do 20 per cent of the population to the share of the least well-to-do 40 per cent of the population as the main indicator, a choice supported by Atkinson (1975) and Jackman (1980). Adapting the comparative national figures cited by Nolan (1977/78, p.98) for 11 OECD countries, we find the following ratios (the higher the ratio, the greater the degree of inequality) for gross, pre-tax, income. (As a concession to its ubiquity, the Gini coefficients are also presented; these

coefficients are most sensitive to the middle income ranges (Allison, 1978, p.869)). Overall, the level of inequality in Ireland is slightly above the average for the 11 countries. Australia, Japan, the Netherlands, Norway, Sweden, and the United Kingdom have lower levels of inequality — on this measure — while Canada, France, West Germany, and the United States have higher levels.

Table 1.1: *Indices of inequality in gross income for 11 OECD countries*

Country	*Date*	*Ratio*	*Share of highest 20%*	*Share of lowest 40%*	*Gini coefficients*
			per cent		
Australia	1967	1.9	38.9	20.1	.313
Canada	1969	2.9	43.3	15.2	.382
France	1970	3.3	47.0	14.2	.416
Germany (FDR)	1973	2.9	46.8	16.0	.396
Japan	1969	2.1	42.5	20.2	.335
The Netherlands	1967	2.7	45.8	16.8	.385
Norway	1970	2.5	40.9	16.5	.354
Republic of Ireland	1973	2.8	43.4	15.7	.379
Sweden	1972	2.3	40.5	17.4	.346
United Kingdom	1973	2.3	40.3	17.4	.344
United States	1972	3.3	44.8	13.8	.404

Source: OECD figures from Sawyer, 1976; Irish figures, Nolan, 1977/78.

The 11 nations examined all correspond to the type of society once labelled "industrial democracy" and more recently termed "advanced capitalist society". The income shares for the top 20 per cent and the bottom 40 per cent are broadly similar for the 11 societies, and it is reasonable to assume that the defining structural characteristics of such societies act to establish a particular pattern of inequality. But a substantial diversity is also evident in the degree of inequality — the ratios range from a low of 1.9 for Australia to the 3.3 found for France and the United States — and this suggests that it is necessary to consider the variability in the structural elements of advanced capitalist societies.

That diversity, especially as manifested in processes relating to class formation and demographic structure, will be treated in Chapters 2 and 4, respectively. The distinctive features of the Irish situation likely to generate the differences, say, between the income distribution of Australia and Ireland, will be discussed.

Aside from the degree of inequality, as evaluated above by decile income shares and Gini coefficients, the basic parameters for evaluating re-distribution through government interventions are, first, the magnitude of that intervention and, second, the location of contributor and recipient units. Magnitude is most clearly, and crudely, represented in the proportion of personal income in a country that is constituted by tax revenues and transfer payments. Stark (1977 pp.203-206) estimates that for Ireland in 1974 the sum of what was raised in direct taxes, and given as direct transfers, amounts to some 21 per cent of the total personal income (direct tax was 11.4 per cent of the total and the transfers, 9.2 per cent); this contrasts with the 31 per cent found in the United Kingdom and the 53 per cent found in Sweden at that time.[1]

What happens to that money is one of the basic themes of this paper. It is therefore useful to desire an estimate of the overall efficiency of the re-distribution — by how much does it lessen income inequality? And again relying on Stark (1977/78, p. 141) and on Nolan (1981) an approximate direct re-distributive coefficient can be used to gauge the net impact of tax and transfers on the level of inequality. When Gini coefficients are derived for direct income and disposable income, and the difference between the two divided by the direct income Gini coefficient, the resulting ratio for Ireland in 1973 is 17.4 per cent, contrasting with a UK ratio of 23 per cent and a Swedish ratio of 37 per cent in the early 1970s.

The net taxation/transfer payment effect can also be specified in terms of income shares. If we take the households comprising the bottom 20 per cent of direct incomes, we find that their share of total direct income is 1.2 per cent, contrasting with their 5.1 per cent share in total gross income and 5.6 per cent share in disposable income. The flow of transfers to those households and the concomitant reduction other households experience through taxation substantially boosts the bottom fifth's share of the total disposable income: the share of disposable income is more than four times that of direct income. Taxation exerts less dramatic change — in this case a reduction — to the share in disposable income of households with the top 10 per cent of direct incomes: those households have a 29.3 per cent share in direct income, a 26.7 per cent share in gross income, and a 26 per cent share in disposable income (O'Connell, 1982). Clearly, their advantaged position is unchallenged by the state's interventions.

[1]This assessment is based on direct interventions through levies of income tax and social insurance contributions and through the allocation of cash subsidies. Since Ireland in 1973 relied more heavily on indirect taxation for revenue than did most OECD countries, the sources we have cited tend to understate the magnitude of state interventions here. If we look at total taxation, however, the assessment we have given does not greatly alter. Total taxation represents a share of gross domestic product that in Ireland is significantly below the EEC average for 1973 and very slightly below the average for all OECD countries (OECD, 1981, p. 79).

So this study begins with a comparative baseline that indicates a level of inequality slightly above the median for industrial capitalist societies, an intervention by the state that is relatively modest — though here international comparisons are severely restricted — and a net reduction to inequality from that intervention that is significant, but again, somewhat below that found in the United Kingdom and well below what is found in Sweden.

Thus far, disagreements with what we have done would perhaps be more technical than substantive. The existence of substantial inequality is not disputed — the most appropriate index of its extent can be debated. Similarly, the size of the state's intervention and the efficiency of its results can be expressed in various ways, though for Ireland it seems fairly straightforward to conclude that both the magnitude and the efficiency are modest. However, the next step, that of specifying the dimensions along which inequality is found, depends entirely on the model with which the problem is approached. The basic questions before us are the locations of inequality and the locations of re-distribution, and the answers depend on one's understanding of the causes of inequality.

Social Class, Family Cycle and the Distribution of Income

Social class and family cycle, in our view, have fundamental effects on both the level of earned income accruing to a household from economic activity and on the manner in which the state through taxation and transfers adjusts that income level. In this section, our usage of the two concepts is elaborated.

Social Class

A social class is the product of a dual process, economic and social, which is termed class formation. Social class implies that a category of individuals, or of families, possess a similar or common package of resources for exchange in the markets — from that exchange those individuals or families derive a roughly comparable level of income and other material benefits. So ultimately social classes are grounded in market relationships within the economy. The basic distinctions that can be made within any particular economic system, therefore, establish the economic factors in class formation, and the terms economic class or market situation (in some texts market capacities) are used to denote such categories which can be defined by a distinctive package of resources.

The second, social, base to class formation consists of factors that group these economic categories into a smaller number of cohesive social classes. Social mechanisms build on economic relationships and they become translated into non-economic social structures (Giddens, 1973, p. 165). The result is a social class, a category whose membership is relatively closed, with limited

possibility for those born to a group to transfer out of it through educational, social, or marriage mobility. It is thus by social processes that certain criteria based on market participation become major social class boundaries: the categories to which the familiar labels working class, middle class, and upper class are applied.

Our theoretical model attributes income inequalities to the distribution of resources — property, skills, and credentials — that are associated with the major social class categories. It is an approach that stems from the work of Weber, and follows the basic principles for updating Weber's ideas put forward by Giddens (1973), and less centrally, those of Parkin (1971; 1979) and Goldthorpe (1980). The two main tenets of this approach are the nature of market situations or economic classes (the economic base of class formation) and the social mechanisms of class formation that structure the numerous distinct market situations we can observe into a small number of social classes.

Weber defined economic classes as the categories that govern the distribution of life chances among the population

> "class situation" means the typical probability of (1) procuring goods (2) gaining a position in life and (3) finding inner satisfactions, a probability that derives from the relative control over goods and skills and from their income-producing uses within a given economic order (Weber, 1968, p. 302).

People come to the markets — commodity, credit, and labour — unequally. Where people have a common set of goods, services, or skills for market exchange, and consequently a similar standard of living and similar life experiences, Weber denoted a "class"; these are the economic classes or market situations, dozens of which may be identifiable in any particular society and historical moment. The distinctions one makes in the kind and amount of resources controlled can therefore only be determined empirically for a given society.

But Weber argued that in any historical situation, a finite number of combinations of such economic "classes" would form "social classes". Though economic classes are created through impersonal processes — being direct reflections of the market — other factors intervene to provide the continuity necessary to transform the economic relationship into a distinct social category. The key to understanding this is mobility (Weber, 1968 p. 302): "a social class makes up the totality of class positions within which individual and intergenerational mobility is easy and typical"; this is the second, social, process in social class formation. Social classes are thus perpetuated within families due to the distribution of mobility chances — class differentials for

participation in higher level education, and consequent attainment of professional or technical skills, are one aspect — residential segregation, common positions in the division of labour and in authority hierarchies and the resultant shared experiences; all these reinforce the closure forged by limited mobility. A social class, therefore, will be likely to evince a distinct package of attitudes and beliefs to coincide with the closed social networks of its members.

Following Giddens (1973, p. 107), we begin the study of class boundaries with an assumption that there are three basic types of market capacity which individuals can offer in the market — (1) property, (2) credentials attesting to the possession of certain knowledge and skills, and (3) manual labour power — and to the extent that these tend to be tied to closed patterns of inter - and intra-generational mobility, this yields the foundation of a three-class system typical of capitalist society: an "upper", "middle", and "lower" or "working" class. But like Weber, Giddens argues that the exact combinations of economic classes that are represented in any society and period will depend on the specific political and economic context, as does the strength — as evaluated in terms of social mobility — of the demarcations.

The first step is to elaborate the three basic forms of market capacity and to use the resulting criteria to determine their constituent economic classes. For purposes of this study, which is focused on income inequalities, we will be operating primarily on the level of economic classes.

Ownership of property in the means of production is the principal criteria for class differentiation. Both Marx and Weber argued for the pre-eminence of the distinction between owners of the means of production who are employers of labour and those who sell their labour power to the owners in exchange for wages. Application of that criteria generally leads to a third — intermediate — category: the *petit bourgeoisie,* which, though property owning, is distinct from the capitalist class. In practical terms, the distinction is made between property owners who do, and those who do not, employ hired labour. The *petit bourgeoisie* generate income from means of production which they themselves own, but do so without the aid of employees (see, for example, Ossowski, 1963 p. 77).

"Property" refers to the possession of certain rights over the use, disposal, and alienation of physical capital that guarantees a certain power of appropriation of the surplus accruing from the production process. These rights of the alienation and disposal of goods are guaranteed by the legal system, which also lays down limits within which labour and capital operate. In orthodox Marxian analysis, the sole determinant of class position is location in the "relations of production" — the position one occupies in relationships with others in economic or material production forces.

Such orthodoxy is rewarded by a precision in establishing categories. It

requires, however, that we ignore the obvious differentials that exist among individuals whose income is acquired through the sale of their labour. Chartered Accountants and agricultural labourers must somehow be amalgamated into a single class through wage employment. For us, these obscure vital differential in earnings potential. Like Giddens, we argue for the necessity of treating educational credentials and possession of skills as basic forms of class differentiation. But differentiations based on educational qualification, special knowledge or skills, and other characteristics that generate labour scarcity cannot be applied with the clarity found for property ownership or its lack. The demarcations that can be made, through forming a hierarchy, do not readily yield a clear set of categories.

This ambiguity is inherent in the Weberian approach: how many distinctions do we make? It would appear that where skills or qualifications act to create a relatively closed pattern of recruitment to a form of employment, a separate economic class is present. In the absence of detailed social mobility data, our distinctions must be based on the formal qualifications of entry or the lack thereof into specific forms of employment. As long as we bear in mind the limited meaning of an economic class or market situation, the risk of creating overly fine distinctions is preferable to a decision to ignore variability that appears likely to be reflected in income levels and income security.

Among those who do not own property in the means of production, the basic divide is between manual and non-manual workers, a distinction made most influentially by Weber (1968). Strictly defined, manual work is that which directly transforms raw material into a marketable product (see Girot's definition in Bain and Price, 1972, pp. 336-337); but today the category is often extended to include workers engaged in the transportation or storage of manufactured goods. Non-manual work, in contrast, involves interaction with knowledge and other people, rather than objects.

In Giddens' terms, manual and non-manual workers possess different market capacities, the former based on labour power and the latter on educational and technical qualifications. The labels manual labour and mental labour have also been applied, within a quite different theoretical framework (Poulantzas, 1975). Manual labour is that undertaken for wages by craftsmen, labourers, operatives, transport and services workers (e.g., janitors, barbers, cooks), while "mental" labour comprises professionals, managers, supervisors, technicians, clerks, and sales personnel (see Wright, 1976, p. 21, for this operational specification of Poulantzas' criteria). The nature of the work is seen to be qualitatively different; in that sense, the terms blue-collar and white-collar may be more evocative of the actual difference.

The force of the manual/non-manual distinction is often argued in terms of the substantially more favourable situation enjoyed by non-manual workers

in job security, working conditions, and fringe benefits (e.g., Giddens, 1973, p. 180, Parkin, 1971, pp. 25-28). And indeed the differences are substantial, even where salary ranges overspill the manual/non-manual divide. (For relevant Irish data, see Whelan, 1980, pp. 33-36; Geoghegan and Frain, 1978/79.) An alternative justification is that the divide is the boundary most resistant to social mobility (Lipset and Bendix, 1959; Miller, 1960; Goldthorpe, 1980).

Analytically, however, the case must be made that the market situations of manual workers share some defining characteristic that is not found elsewhere. Goldthorpe argues that the distinctiveness lies in that "they sell their labour power in more or less discrete amounts (whether measured by output or time) in return for wages"; they are, to Goldthorpe, also distinctive in their relationship to authority — "they are, via the labour contract, placed in an entirely subordinate role, subject to the authority of their employer or his agents (1980, pp. 41-42)."

Within both the manual and non-manual categories, additional distinctions need to be drawn. It is here that the ambiguity of the number of economic classes we should anticipate becomes acute. Among manual workers, a three-fold distinction is standard. The classic statement is from Hall and Jones:—

> The distinction between skilled and semi-skilled or unskilled manual work is not always easy to draw. If a trade has no special name it is as a rule safe not to class it as skilled. Skilled work requires special training, adaptability, and responsibility for the process and material on which a man is engaged. Persons who are doing manual work which needs no great degree of skill or training, if they are doing it habitually and if the work is associated with a particular industry, should be classed as semi-skilled; e.g., an "agricultural worker" as distinct from a "general labourer". Manual work that is general rather than associated with a particular industry, and which can be done with very little practice by one who has had no special or vocational training, ranks as unskilled; e.g., counterhand, machine minder, railway porter (Hall and Jones, 1950, p. 34).

As Blackburn and Mann (1979, p. 41) note, the difficulty is serious. The only unambiguous distinction is where a formal apprenticeship is mandatory — this covers a relatively small proportion of all manual jobs. In other instances, however, the job title does imply a particular level of skill, one that is associated with the job irrespective of the actual barriers to entry in the form of experience or training. A hierarchy among manual jobs is therefore meaningful, though perhaps not in the sense of a clearly differentiated workforce.

Among non-manual workers, the distinctions are in terms of the nature of the required qualifications, the degree of autonomy of the worker, the amount of authority exercised over others, and the content of work (routine v. non-routine). Perhaps the most widely cited attempt at operationalising such distinctions for a specific setting is the representation of the British class structure developed by Goldthorpe and his colleagues (1980), developed for use in their analysis of a 1972 social mobility survey. Two criteria were central: (a) market situation, a combination of occupation and employment status that yielded categories with common sources and levels of income, equivalent economic security, and opportunities for advancement, and (b) work situation, an emendation to Weber's model, found concretely in an individual's location within the authority and control hierarchies of a particular process, with autonomy of the individual the main indicator.

Class I	Higher-grade (well-educated) professionals; administrators with considerable authority; proprietors of substantial concerns.
Class II	Lower-grade professionals; junior administrators and managers; supervisors of non-manual workers.
Class III	Routine non-manual workers: such as clerical or sales employees.
Class IV	Petty Bourgoisie: small proprietors, including all farmers, and self-employed artisans.
Class V	The "blue-collar elite": lower-grade technicians (whose work is to some extent of a manual character, p. 41) and supervisors of manual workers.
Class VI	Skilled manual wage workers, including all who have served apprenticeships or have "acquired a relatively high degree of skill through other forms of training (p. 41)."
Class VII	Semi- and unskilled manual wage workers in industry and all agricultural workers.

Classes I and II form a "Service Class" which in effect runs capitalist society by the exercise of power and expertise in the name of corporate entities, while III, IV and V correspond to an "Intermediate Class". An "Industrial Working Class", divided into skilled manual workers (Class VI) and semi-and unskilled manual workers (Class VII) completes Goldthorpe's class schema.

Any classification scheme that purports to capture the distinctions denoted by class will be problematic — and contentious. Goldthorpe's categories are instructive. First, the categories in some instances contain a mixture of

employees, the self-employed, and employers. Second, categories such as lower professional workers merge individuals whose "market capacity" will limit them to that level with other individuals on career paths that will ultimately take them to "higher" categories, and specifically allocation to class I or II may be age-specific. Third, the agricultural sector is covered only tenuously — included as an afterthought. For any society in which agriculture is of substantial economic importance a more differentiated approach is required, especially if there is substantial variation in the resources involved in agricultural production.

Though our basic approach owes much to the work done by Goldthorpe, the specific context we are studying has led us to develop a rather different set of class categories. The process we followed can be traced in terms of the three basic "problems" that were encountered: (1) defining the relevant population for a study of income inequality based on social class and family cycle, (2) establishing a set of social class distinctions to be used in classifying households, and, (3) using the Household Budget Survey data to make the classifications.

Studies of social class typically are based on samples drawn from the active labour force, a choice which effectively excludes a substantial part of the society's population from the class system. Wright and Perrone (1977), for example, limit their study of class in the United States to men and women engaged full-time in the non-agricultural labour force. Goldthorpe's sample of men aged 20 to 64 is perhaps even more restrictive. Based on the data provided by the *1973 Household Budget Survey,* which samples from all households, we estimate that 78 per cent of all heads of households are participants in the economy. Many of the remaining households are dependent — and quite a few, totally so — on the state's transfer payment system for income. And that group would seem to occupy a particular position within the class system of the advanced capitalist societies. We have, therefore, used as our population all households within the Republic.

The main criteria we used are quite conventional. The ownership or non-ownership of the means of production yields, when owners are subdivided into employers and the self-employed, three basic distinctions: (i) large proprietors, a bourgeoisie, who both owns the means of production and employ others to work it; (ii) owners of the means of production in which size is insufficient to justify the wage employment of labour, and therefore represent a self-employed *petit bourgeoisie;* and, (iii) those who lack property and depend on their resources of skill or knowledge or physical labour power to sell in the labour market. Labour power is then differentiated into basic capacities: those with scarce educational or professional or technical qualifications that attest to certain abilities to manipulate abstract symbols and those with manual labour skills

that involve material objects.

Among the non-manual employees, differentiation can be attempted primarily in terms of the "capacity to offer marketable technical knowledge, recognised and specialised symbolic skills, and the offering of general symbolic competence"; marketability is enforced by restrictions — as in the professions — to entry (Giddens, 1973 p. 186). Differences are also present in terms of positions in the authority structure within enterprises, and ideally marketability and authority in combination define "levels" within the non-manual category. In contrast, manual workers are to be differentiated solely in terms of levels of skill required for particular jobs, differences that may be formalised through apprenticeships and other restrictions to entry.

In applying these criteria to the Irish situation a number of factors unique to the country need to be kept in mind. First, the significance, indeed at one stage the dominance, of the *petit bourgeoisie* is distinctive. Even in 1971, nearly a third of all gainfully occupied males were either self-employed or in family employment with a strong likelihood of inheritance. The vast majority of these were in agriculture, where over 80 per cent of the labour force worked in such family owned employment . (Even in non-agricultural sectors, however, over 9 per cent of the labour force was self-employed.)

The translation of such distinctions into operational categories poses difficulties for any but a purposely designed study. The *1973 Household Budget Survey* collected information on employment status (employee, self-employed with hired labour, self-employed with family employees only, self-employed without employees), on occupation, with some 140 separate occupational categories distinguished, and on the industry of employment or self-employment. Data were also available on the size of farm, where relevant. However, data were not available on the number of employees, and positions within authority structures could be ascertained only if specific to a CSO occupational title.

By combining employment status and occupation, and through the ability to differentiate among farmers on the basis of farm size, 14 categories were developed, analogous to *economic* class categories. Of all the categories, that of the large proprietors is perhaps the least satisfactory given the range of resources that it subsumes. But there is a further difficulty for that category, generic to all survey research on social class: the size of the main employer class is the inverse of its importance to the economic order. No random sampling technique will yield an adequate representation of this small but vital group. In fact, even when broadly defined to include nearly all employers of wage labour, only two per cent of households fall into the large proprietor category. If we exclude farmers from the category, the numbers fall by half. In using the household budget data, we have understated even the numerical significance of the bourgeoisie: many employers live abroad. As Sweeney

(1973, p. 277) notes "by the end of 1972, over one-half of the fixed assets of all Irish-registered industrial and service companies were in fact owned by foreign companies".

The following economic class categories have been developed:—

1 *Large Proprietors:* Owners who are employers in industry, construction, the provision of professional and technical services, as well as wholesale and retail services. All farmers with more than 100 acres who employ labour have been included (representing 2.2 per cent of all households).

2 *Small Proprietors:* The primary income source is from ownership of wholesale, retail, or industrial enterprises in which labour is not employed. Self-employed artisans and service workers are included, as are manual workers who are employers of other manual workers (4.0 per cent of all houeholds).

3 *Large Farmers:* Those with holdings of 100 or more acres but who do not employ labour and farmers with 50 to 100 acres who do use hired labour (3.4 per cent of all households).

4 *Medium Farmers:* Those with holdings of 50 to 100 acres who are not employers. (5.1 per cent of all households).

5 *Small Farmers:* Have holdings of 30 to 50 acres or have less than 30 acres but are employers (5.9 per cent of all households).

6 *Marginal Farmers:* With less than 30 acres and without employees (7.4 per cent of all households).

7 *Higher Professionals:* A category that includes both self-employed and employed professionals, as well as senior executive and administrative employees (4.5 per cent of all households).

8 *Lower Professionals:* Households headed by individuals in professions that are less restrictive in the required credentials and also junior administrative and managerial employees (3.7 per cent of all households).

9 *Intermediate and Routine Non-Manual Workers:* Junior ranks of non-manual workers in industry, commercial life, and public administration, as well as qualified technicians, all employees (11.0 per cent of all households).

10 *Skilled Manual Workers:* Household heads with clearly defined occupational skills, attested to through an apprenticeship or through some other form of training (12.7 per cent of all households).

11 *Service Workers:* Non-manual workers who have skills roughly equivalent to those of semi-skilled manual workers, examples being, postmen, bus conductors, roundsmen, and caretakers (7.8 per cent of all households).

12 *Semi-skilled Manual Workers:* Possess recognised occupational skills, though these tend to be specific to particular industries (8.7 per cent of all households).

13 *Unskilled Manual Workers:* Those with undifferentiated labour power (14.7 per cent of all households).

On the basis of the information contained in the Household Budget Inquiry, 92 per cent of all households can be classified into one of the above categories. The remainder are treated as a residual, consisting mainly of households that were not actively participating in the economy. This is the most marginal of all groups, and therefore must be considered in any study of poverty, though their lack of a clear class position makes their inclusion awkward. With some reservation, which will govern our interpretations in later chapters, the residual is treated as Category 14.

We are not suggesting that 14 categories are an adequate representation of the Irish economic class structure for all purposes: they were devised for a particular purpose — explaining the distribution of income. In social structural terms, four major cleavages in the structure are central. There is a bourgeoisie (Category 1) in the classic sense; *a petit bourgeoisie* (2-6), subdivided into farmers and non-farmers; a middle class of non-manual employees (7-9): and a working class (10-13). Data on social mobility and educational participation (see Chapter 2) suggest that these distinctions correspond to social groups that possess the main attributes of social classes.

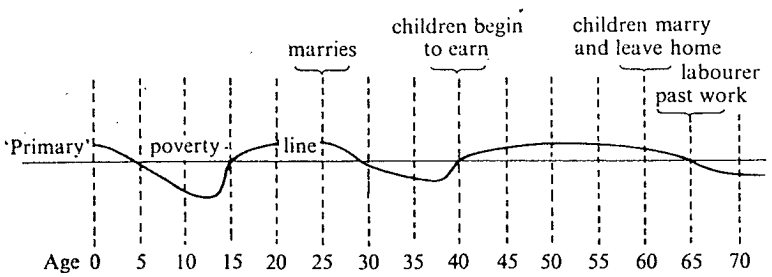
Family Cycle

The degree of income inequality in a society and the nature of the income re-distribution present will in conventional measures be affected by income distribution, such as the income shares ratio already examined, reflect in part a country's demographic composition: "differences and changes in the structure of family units have direct bearing upon the income distribution" (Kuznetz, 1974, p. 224). This follows from the importance of the family as an income generating unit. Changes or differences in the average family size, in the age structures — and particularly the ages of heads of households — as well as in the proportion of households falling in particular household types, all potentially affect the level of inequality that we measure (see especially Kuznetz, 1974 and 1976). In this paper, the demographic component of income inequality is expressed through the concept of family cycle.

The concept of family cycle — alternatively termed life cycle — provides a useful approach to measuring and explaining differences among households that affect both the income flow to households and the outflows required for consumption. The number of people in a household, the number of income earners as opposed to consumers, the ages of household members, their family relationships, can be subsumed under one concept that captures the major stages through which most households pass. As a variable, family cycle reflects the changes over a family's life course in its needs and its "economic strength" — the number of income earners in relation to the number of consumers for which household income must provide (Geary, 1954).

In part, the exigencies of family cycle stages, involving continuous adjustments to household incomes and to pressures on household budgets, are shared by all households. But distinct patterns are associated with particular social classes, and consequently a distinctive profile of state taxation and transfer effects. In Rowntree's (1899) classic study of York, a typical working-class family was observed to pass through alternating periods of want and comparative plenty. In such households a child is born and raised in poverty, at least until he (or she) or some of his siblings begin work and augment their father's meagre wages within the parental household. He then enters a period of comparative prosperity, which lasts until after his own marriage and until he has one or two small children. Then poverty again overtakes the worker and his family and this period will last perhaps for ten years, i.e., until the first child is fourteen years old and begins to earn money. The greater the number of dependent children, the greater the prolongation of the poverty period at this stage of the cycle. While the children are earning, and before they leave home, the labourer and his family may enjoy another period of prosperity, only to sink back again into poverty when his children have married and left him. The following diagram, reproduced from Rowntree, summarises the changes.

Figure 1.1: *Rowntree's life cycle: poverty and age*



Source: S. Rowntree, *Poverty: A Study of Town Life* as represented in Fiegehen *et al,* 1977.

Variation in the extent and intensity of economic pressures on the family or household unit at the basic "pressure points" of the family cycle depend chiefly on:

(a) The flexibility of the wage or income received over the life cycle. If wages are inflexible and cannot be increased by greater effort, the problems will be greatest when the number of household dependants is greatest (Rowntree, 1899; Loomis and Beagle, 1950). However, in the small farm or family business context, adjustments are possible to increase the family resources during the critical stages of the life cycle. The farm or business family is not restricted by an inflexible wage but may increase its output and income by greater effort (Loomis 1945, pp. 190-195; Loomis 1951, pp. 77-87). Similarly, the retention within the parental household of older wage-earning children expands the income of working class families.

(b) The extent to which the age or life cycle stage at which wages/salaries peak coincides in the family cycle with that at which consumption peaks (Oppenheimer, 1974).

(c) The extent to which savings at one stage can be stored or invested to provide support at later stages (Henretta and Campbell, 1976) and

(d) The extent to which state transfers through children's allowances, taxation allowances, pensions and other income maintenance and health and welfare programmes help to even out the troughs, (Donnison, 1975; Layard *et al*, 1978).

Such class-linked family cycle inequalities are strong. In Britain, studies have found that unskilled manual workers reach peak income at an average age of 30, and thereafter experience a decline of 15-20 per cent in their income, while skilled manual workers, on average, achieve peak earnings at approximately age 40, with a subsequent drop of 10-15 per cent (Giddens, 1973, p. 180). The "declining income curve" of both categories of manual workers contrast with that of most non-manual employees, who progress through clearly defined increments until close to retirement age.

The advancement of non-manual, and especially of white collar, workers through a fairly continual series of pay increments is attributed by Phelps Brown (1977) primarily to the nature of the organisational roles. White collar workers are given the scope for increasing their value to the firm as they gain experience. Increased salary is thus both a reward for one's enhanced value

and an inducement to remain within the firm. The difference in roles goes deeper. White collar work is—

> . . . commonly organised in superimposed levels of authority, oversight, and responsibility; the higher levels are more highly paid, and they are generally filled by promotion from grades below, whether within the organisation concerned or in another one from which someone moves "to improve his position" (Phelps Brown, 1977, p. 266).

In contrast, manual workers, and to a lesser extent routine non-manual employees, tend to reach a plateau in opportunity, beyond which they are unlikely to move despite long years of service.

"Horizontal inequalities" (those over the life cycle) are likely to be maximised among lower working-class families, where wages are inflexible and "peak" at relatively early ages (35-40), where there are large numbers of dependent children, and where state transfers cannot adequately rectify the mismatch between income and need. In general, considerable family cycle variation will be found by social class in the probability of marriage, the number and spacing of children, the dispersal pattern of children, and the financial transition associated with retirement. These affect income flows and the consumption patterns.

There is no consensus among researchers on how to measure family cycle. Rowntree, and many of those he influenced, used four stages: (i) a marriage and early child-bearing stage; (ii) a stage of child-bearing or family formation in which all the children are young and dependent; (iii) a stage where only older children remain, others having left home; (iv) a family dispersal and dissolution stage — the "empty nest" stage (See Glick, 1955, 1977; Loomis, 1951). For our purposes, at least two additional stages are required: (a) pre-family formation, in which young adults have left home and are living as "singles" in their own households, and (b) older adult single people who have never married. This last is not a "stage" in the main cycle. It is strictly the final stage to the subsidiary "single" cycle, where the individual did not marry and reproduce the family cycle. But in this sense it can be thought of as a continuation or subcategory of the "empty nest" stage, where both parents have died and an older child or children remain unmarried in the parental household. Since this latter phenomenon is most marked amongst farmers, and they account for the greater proportion of cases involved, it seems a defensible procedure.

Unfortunately, the Household Budget Survey file does not include information on age at marriage or on the age of the eldest child; no information is available on children who have left home. There is comprehensive information,

however, on the marital or family status of the head of household (HOH) and on the relationship of all household members to the head of household, as well as the ages of all children and adults in the household. On this basis, a number of alternative family cycle classifications were devised. The following appears to be the most clearcut and defensible.

1 *Young Single Household:* HOH is single, less than 40, no children of the HOH. Most people in this category will get married and proceed through the cycle (3.3 per cent of all households).

2 *Young Married:* HOH is married, with wife present in the household, with HOH < 40 and/or < 45, no children of HOH. Since only a small minority will remain childless, nearly all of these are young marriages (2.6 per cent of all households).

3 *Family Formation:* HOH married, but only with children less than 5 years old in the household (10.6 per cent of all households).

4 *Middle Child-rearing:* HOH married with children. Children less than 5 years and children older than 5 years in the household. Families here are at the last stage of family formation nearing completion of childbearing (18.7 per cent of all households).

5 *Complete:* HOH married, no children less than 5, children 5-10 in household and with or without children over 10. Childbearing here is completed in nearly all cases. Some of the older children may have left (8.9 per cent of all households).

6 *Early Dispersal:* HOH married with children, none less than 10; children of 10-15 present with or without children over 15. This is a clearly Dispersal stage (11.0 per cent of all households).

7 *Dispersal:* HOH married with children; none less than 15; children of 15-20 present, with or without children of 20 and over (7.8 per cent of all households).

8 *Two Generation Adult:* HOH married with children; none less than 20 (8.8 per cent of all households).

9 *"Empty Nest" Stage:* HOH > 40 and ever-married, and /or wife > 45. There are no children in the household (16.9 per cent of all households).

10 *Old "Single" Household:* HOH > 40, Single, no children. Few HOHs in this category are less than 50 years old; few will ever marry. Often they are, in reality, the residual "child" stage of Category 8 households,

both parents having died. This is particularly true of farm households, (11.3 per cent of all households).

These ten stages are approximate: however, in our opinion they capture the changes households experience as they progress from newly formed units to eventual dissolution through the death of their "founders".[2] Table 1.2 provides some of the demographic characteristics of households at each stage. Together these last two family cycle stages contain 2,149 cases, representing 28.3 per cent of all households. Each stage comprises a far wider diversity of household circumstances than any of the preceding stages; in particular, the variance in the ages of those included is greater. Since that diversity cuts across divisions of clear interest to some topics in the study of income distribution — old age and retirement — for some purposes the households will be disaggregated into an "a" and "b", with the former including all households in which the head is less than 65 and the latter sub-category all households in which the head is aged 65 or older. When so disaggregated, Stage 9a has a mean HOH age of 57.5 and 9b of 72.7 (standard deviation of 5.2 and 5.2, respectively); the average age for 10a HOHs is 53.2 and for 10b, 72.7 (standard deviations of 6.8 and 5.9). It is worth noting that sub-category "a" comprises 40.5 per cent of Stage 9 households and 62.6 per cent of those in Stage 10.

Returning to Table 1.2, it can be seen from the "E^2" statistics, which were derived through analysis of variance, that the stages capture the bulk of the variation in the household characteristics examined. (E^2 measures the proportion of total variance attributable to differences *between* stages; $1-E^2$, therefore, indicates the amount of variance present *within* the stages.) The F ratios confirm that the E^2 are statistically significant: basic demographic changes

[2]The CSO in conjunction with the ESRI had developed a 12 stage family cycle measure for use with future Household Budget Tapes. That classification can be summarised as follows:

Stage	*Household head*	*Spouse of HOH*	*Children of HOH**
1	Single and 40 or less	none	none
2	Married/widowed	age under 45	none
3	Married/widowed	no restriction	1 age 0-5; none older
4	Married/widowed	no restriction	1 age 0-5; 1 age 6+
5	Married/widowed	no restriction	none age 0-5; 1 age 6-9
6	Married/widowed	no restriction	none age 0-9; 1 age 10-15
7	Married/widowed	no restriction	none age 0-15; 1 age 16-21
8	Married/widowed	no restriction	none 0-21; 1 age 22+
9	Married/widowed age 41-64	age 45 or over	none
10	Married/widowed age 65 or over	age 45 or over	none
11	Single, age 41-54	none	none
12	Single, age 65+	none	none

*Numbers of children refer to one or more children present

Table 1.2: *Some demographic and economic characteristics of the average household at each family cycle stage*

	Family cycle stage										
	1	*2*	*3*	*4*	*5*	*6*	*7*	*8*	*9*	*10*	E^2
1 Av. Age of HOH (standard deviation)	28.3 (6.3)	35.8 (11.7)	36.0 (11.6)	41.6 (10.0)	47.8 (8.4)	53.8 (8.0)	59.2 (7.2)	68.6 (9.1)	66.5 (9.2)	60.5 (11.4)	61%
2 Av. No. of Persons in Household	2.1	2.3	4.2	6.9	6.1	5.0	3.8	2.8	1.7	1.7	62%
3 Av. No. of children (< 15) in Household	0.1	0.1	1.9	4.4	3.2	1.6	—	—	—	0.1	70%
Total Nos. at each stage	253	199	806	1,428	680	841	591	647	1,287	862	7,621

experienced in households are adequately represented by our family cycle measure.

The family cycle stages capture the basic variation that takes place in household circumstances and demographic characteristics; specifically, the consumption requirements and the available labour power of households systematically vary with movement through the stages.

Measuring Income: Data Sources and Interpretations

Social class and family cycle affect both the flow of earned income into a household and the re-distributive impact taxation and transfer payments have on that household's earnings. Thus far, we have discussed the manner in which our two main independent variables have been measured, and some of the limitations that are inherent in the need to use existing data for that measurement rather than a specially designed survey. It remains to consider the problems associated with our dependent variable — income.

Most basically, it must be stressed that the Household Budget Survey provides self-reported estimates of income. That respondents typically understate rather than overstate their incomes is hardly astonishing. Similarily, the technical problems of capturing an income flow for a specific time-period do not, *per se*, pose serious problems for our purpose, which is primarily that of group comparisons. But the extent of under-reporting of income and the complexities of book-keeping are related to the nature of the income source; the self-employed tend to be the most modest in their estimates and their incomes may be expressed for a short time period only with difficulty. Even with complete candour, the complexities of expressing accurate returns from self-employment, rent, dividends, and interest will be greater than those encountered with wage income (though income in the form of bonus payments also poses difficulties for deriving weekly income estimates).

One basis for estimating the dimensions of the problem is comparison of the survey data to national income estimates. If survey respondents answer income questions with complete candour, the estimates of national income made from the survey data should approximate the national accounts. It is thus possible to take the discrepancy between the two figures as an indicator of the prevalence of under-reporting, and this can often be done separately for various types of income. Sawyer (1976) has carried out this exercise for six of the OECD countries included in his study. Of those countries, the United Kingdom offers the most relevant comparison: data from the *1973 Family Expenditure Survey* understated wages and salaries by 3.1 per cent, entrepreneurial income by 44.8 per cent, investment income by 60.2 per cent, and direct state transfer payments by 22.4 per cent; overall, the self-reports of income accounted for 84 per cent of the total given in the national account figures.

Discrepancies between household budget survey and national accounts estimates of income are attributable in part to differences between the concepts used in the two forms of estimation. This is especially pertinent for estimates of investment income (see Atkinson, 1981 for a detailed analysis). National accounts totals comprise income of private, non-profit-making institutions, private trusts, life funds provided by life assurance companies, as well as income earned by pensions funds. Imputed rent is incorporated into the national accounts investment income ("interest, rent, dividends, and imputed rent"); it is, however, excluded from the Household Budget Survey estimates. A further conceptual difference arises from the exclusion in the Household Budget Survey of transfers to private non-profit-making institutions, such as secondary schools and the university, transfers that do appear in the national accounts.

A definitive assessment of the representativeness of Household Budget Survey income estimates is feasible only where the reporting categories are comparable to those used in the independently generated national accounts. That comparability does not exist for the Irish data, and assumptions must be made in reconciling the two sets of estimates. Stark (1977, p. 100) found that the *1973 Household Budget Survey* underestimated the total national income, as shown in the national accounts, by nearly 18 per cent. The discrepancy arose from the following category-specific differences:

	1973 HBS estimates as a percentage of the national accounts estimates
Wages and salaries	89.1
Non-farm self-employment	97.1
Farm self-employment	110.0
Interest, rent, dividends and imputed rent income	13.4
Transfer payment income	72.9
Total	82.4

As was already noted, some of the understatement is directly attributable to the exclusion in the Household Budget Survey of income recipients that do not constitute households; based on work in the United Kingdom, that component would add some five per cent of the total estimate from the HBS (Stark, 1977, p. 99). The remainder can be treated *primarily* as under-reporting or misreporting of income by households included in the Household Budget Survey. However, it must be noted that other attempts at reconciling HBS and national accounts estimates have produced rather different — indeed, strikingly different — pictures of the degree and location of misreporting, (see Roche, 1980: Appendix 1), and Stark's results offer only a broad indication.

Fortunately, where income data are obtained from household budget sur-

veys, a second basis for evaluating reporting errors is available: the total household expenditure is also known. Clear consistencies in the relationship between income and expenditure data have been found in previous studies. British studies uniformly have found that for all but the highest income groups, expenditure recorded through surveys exceeds the amount of income reported in the same households, often by a substantial amount. Fiegehen *et al.* (1977, pp. 37-39) note that, generally speaking, the discrepancy is greatest for the households with the lowest income, a phenomenon that can be partly explained by the reliance of such households on borrowing and withdrawals from savings for current expenditure; such sources of funds are not treated as income in the Household Budget Survey.

Caution is required in making inferences from expenditure-income discrepancies. The CSO offers the following advice to users of the *1973 Household Budget* data:

> Some understatement of income certainly occurred, but the bulk of the apparent deficit may be due more to practical and conceptual problems rather than to any real or intentional understatement by respondents. On average, total weekly household expenditure exceeded gross weekly household income (excluding income tax and social insurance contributions), but little significance can be attached to this as the two concepts are not comparable in respect of either coverage or reference period. Income, by definition, excluded certain money receipts (e.g., withdrawals from savings, loans, prizes, etc.) which were used to finance household expenditures (generally major items). Indeed, some sample households (e.g., retired and unemployed persons, self-employed individuals not making a profit, etc.) were living on their savings during the survey period and this resulted in a substantial excess of expenditure over income in these particular cases. Furthermore, expenditure was, by and large, surveyed on a current basis, but a considerable proportion of income had to be based on retrospective data relating to some twelve-month period preceding the interview (CSO, 1976, p. xviii).

Table 1.3 compares average household disposable income to average total household expenditure separately for the 14 class categories. In all but three categories, expenditure exceeds reported income, in some instances by as much as one-third. The exceptions — large proprietors and large and medium farmers — were all substantial property owning categories. It should be noted that income from self-employment in agriculture is derived for farmers with substantial holdings from the very detailed farm accounts maintained by those

households. In consequence, the self-employment income data they report is likely to be more accurate than for most groups.

Table 1.3: *A comparison of average expenditure and average disposable income by class category**

Class	*Average expenditure*	*Average disposable income*	*Excess expenditure over income (in per cent)*
	£	£	
1 Large proprietor	66.42 (42.2)	71.71 (67.5)	− 7.4
2 Small proprietor	49.95 (34.6)	37.94 (23.5)	+31.7
3 Large farmer (100+ acres)	48.35 (31.3)	65.12 (46.5)	−25.6
4 Medium farmer (50 – 100 acres)	41.48 (28.4)	47.12 (30.4)	−12.0
5 Small farmer (30 – 50 acres)	34.08 (26.4)	32.04 (19.4)	+ 6.4
6 Marginal farmer (– 30 acres)	26.68 (23.8)	24.03 (18.6)	+11.0
7 Higher professions	71.04 (35.2)	63.03 (34.0)	+12.7
8 Lower professions	56.03 (37.1)	48.99 (25.8)	+14.4
9 Intermediate non-manual	49.97 (28.6)	42.36 (28.7)	+18.0
10 Skilled manual	45.62 (29.2)	36.81 (18.2)	+23.9
11 Service workers	42.99 (30.4)	34.50 (18.8)	+24.6
12 Semi-skilled manual	39.71 (25.5)	33.13 (17.8)	+19.9
13 Unskilled manual	33.94 (29.5)	28.69 (19.8)	+18.2
14 Residual	17.14 (17.8)	14.90 (15.5)	+15.0
All households	41.05 (28.9)	36.50 (28.3)	+12.5

*Parentheses contain standard deviations.

In terms of class differences, the mean to standard deviation ratios are generally more favourable for expenditure in proprietorial households and for income in employee households. The only major reversal of rankings among the categories in terms of financial well-being would occur between large proprietors and higher professionals: on the basis of disposable income, large proprietors were the most well-to-do group; higher professionals would be so judged on the basis of average expenditures.

A definitive choice between income and expenditure data as indicators of household financial circumstances cannot be made. The evaluation will

depend on the purpose for which the information is required. In the present study, the main criterion will be comparability: which set of data is the more reliable guide to differences in the well-being of two categories. Also, it is essential that we should be able to disaggregate the household's financial resources into its component sources: if we do not know the amount received in the form of transfer payments and the amount of taxation paid, re-distributive effects cannot be studied. Reliance on income data is, therefore, unavoidable. Similar arguments have been put forward by Abel-Smith and Townsend (1965), Townsend (1970), Fiegehan *et al* (1977) and Layard *et al.* (1978). To summarise: it is more reasonable to treat a brief period — say, two weeks — as representative of a household's financial situation if income rather than expenditure data are used — the latter index fluctuates too markedly for most households.

Appendix 1.1: *Defining Class Categories*

The 14-class categories developed for this paper are based primarily on head of household employment status and occupation. Among farmers, allocation to classes is also influenced by the size of the farm and for "directors, managers, and company secretaries" allocation is influenced by the type of industry. This appendix summarises the rules used to allocate households to classes, using the detailed occupational and industry codes found in Volumes III and IV of the 1971 Census of Population of Ireland.

First, the CSO's occupational codes were aggregated into 15 broad groups of occupations. These are as follows:

(1) 263

(2) 318

(3) 205; 213; 293; 305; 337; 340; 341

(4) 295; 296; 298; 301; 302; 303; 304

(5) 275; 317; 321; 323; 324; 328 through 333

(6) 279; 319; 322; 325; 326; 327; 334; 335; 336; 338; 339; 342

(7) 274; 289; 294

(8) 214; 215; 216; 218; 220 through 225; 228; 232; 238; 241; 244; 252; 253; 261; 264 through 268; 273; 276; 307

(9) 277; 278; 280; 285; 287; 288; 290; 291; 297; 299; 306; 308; 311; 313 through 316; 343

(10) 207 through 210; 217; 227; 234; 237; 240; 242; 245 through 248; 250; 251; 256; 260; 262; 271; 281; 292; 312

(11) 204; 272; 286; 300; 309; 310

(12) 201

(13) 206

(14) 211; 212; 219; 229; 230; 231; 233; 235; 236; 239; 243; 249; 254; 255; 257; 258; 259; 269; 270

(15) 282; 283; 284

These 15 groups of occupations were then combined with employment status in the following manner:

	Employment status		
	Employers	*Self-employed*	*Employee*
Large proprietor	(1) (2) (3) (4) (5) (6) (7) (12)* (13)		
Small proprietor	(8) (9) (10) (11) (14) (15)	(4) (8) (13) (14)	
Large farmer	(12) 50-100 acres	(12) 100 plus acres	
Medium farmer		(12) 50-100 acres	
Small farmer	(12) less than 30 acres	(12) 30-50 acres	
Marginal farmer		(12) less than 30 acres	
Higher professional		(2)** (5)	(2)** (5)
Lower professional		(6)	(6)
Intermediate non-manual		(2)** (7)	(1) (2)** (3) (4) (7)
Skilled manual			(8) (14)
Service workers		(9)	(9)
Semi-skilled manual		(10) (15)	(10) (13) (15)
Unskilled manual		(11)	(11) (12)

*Employer farmers with more than 100 acres

**"Directors, managers, and company secretaries" who are self-employed or employees are allocated by type of industry. If the industry corresponds to CSO industry codes (as shown in Volume III of the Census of Population) 272 or 295 through 316, then the individual is classified as Intermediate non-manual; in all other industries, the individual is classified as Higher professional.

Chapter 2

THE STRUCTURE OF INEQUALITY: OPPORTUNITIES, EDUCATION, AND MOBILITY

Introduction

The income inequalities we are examining assume particular importance because they are structured: in practical terms, that structure is manifest in the likelihood that individuals with low incomes will, during their lifetimes, be unable to substantially improve their situation and the likelihood that the children of such individuals will be similarly restricted. The massive economic and social changes of recent decades have altered the base of such structural inequalities. But the result has been to create a new order to the inequality, the obverse of the new hierarchy of privilege.

This chapter describes that structure and assesses its strength. To the extent that the most valued market capacities are basically closed, rarely attained by those who possess or whose parents possessed less valued capacities, then social class is an explanatory factor in the distribution of income. These assertions will be examined in light of the available evidence:

1 A new hierarchy was established of positions for economic participation, with the transformation essentially complete by the mid-1960s, shifting the balance of advantage and disadvantage associated with possession of various forms of skills, credentials, and property.

2 Access to the more advantaged positions in that new hierarchy was not equally distributed, and in the course of the transformation some groups were able to stake a disproportionate claim to those positions and to retain an equivalent share for their children.

3 Social mobility in Ireland is therefore quite restricted and likely to remain so, given the patterns of educational participation, in the foreseeable future.

These three assertions will be examined in turn, each in a separate section. The first traces the change in *positions* for economic participation between 1926 and 1971, the second focuses on the distribution of educational opportunity

by social class, and the third measures the amount of overall social mobility in Ireland today.

The income inequalities we will be observing for 1973 are, in our view, rooted in the distribution of market capacities that this chapter highlights. The data on historical trends in occupation employment status, or educational participation, and/or social mobility are therefore only nominally a digression from the analysis of income data. In any event, there is at present no comprehensive source from which an understanding of the Irish stratification system can be obtained. Such an understanding is prerequisite to a sociological interpretation of a specific aspect of inequality, such as that for income. This chapter is an attempt to fill that gap.

It is an understanding that needs to be specific to the Irish situation. The recent experience of rapidly declining agricultural employment, an expanding and more concentrated service sector, growing white-collar employment, and industrial development is familiar from what has happened previously in other countries — perhaps too familiar. Large scale industrialisation wherever it occurs re-structures the social order, but it is incorrect to attribute to industrialisation and modernisation a single logic. The specific social and economic conditions and prevailing international order shape the consequences (see the discussions in Marceau, 1977 and Giddens, 1973, pp. 90-110) and this obligates students of inequality to first examine the nature of the process as it occurred in their own society. By re-working the published census material on the changing distribution of employment opportunities, and by collating and supplementing research on educational participation and on social mobility, we have endeavoured in this chapter to meet that obligation.

Table 2.1: *Numbers and percentage distribution of gainfully occupied males by three industrial sectors: 1926 to 1971.*

Year	*Agriculture*		*Industry*		*Services*		*Total*		*Total*
	Nos.	%	*Nos.*	%	*Nos.*	%	*% at work*	*% out of work*	
1926	539,143	56.2	150,050	15.6	200,510	20.9	92.7	6.9	960,003
1936	514,703	52.4	173,205	17.6	207,109	21.1	91.1	8.5	982,179
1946	501,909	52.4	185,490	19.4	212,335	22.2	94.0	5.4	958,076
1951	439,162	46.7	228,855	24.3	227,474	24.2	95.2	3.3	941,209
1961	341,664	41.6	209,266	25.5	222,491	27.1	94.2	5.7	821,529
1971	251,576	30.2	268,101	32.2	258,777	31.1	93.5	6.6	831,664

"Agriculture" includes fishing, market gardening, and forestry, as well as farmers, their relatives, and farm labourers. *"Industry"* also includes quarrying and mining; and warehousemen, stationary engine drivers and others, and general labourers; *"Services"* is transport and communication; commercial and financial and insurance; professions; personal service (including domestic); public administration and defence; clerks and draughtsmen and typists; entertainers and sportsmen. Students are excluded from sector totals.

The Process of Class Transformation

We need to begin our examination of the structure to social inequality by looking into the recent past. Between 1926 and the early 1970s a transformation occurred within the Irish economy as simple commodity production was superseded by advancing industrial capitalism. Income inequality in the 1970s reflects the new basis for distributing the rewards from economic activity to individuals and households.

The magnitude of the transformation that occurred, and its broad outline, is best stated in terms of the distribution of the male work force among the three main sectors of the economy: agriculture, industry, and service.[1] Table 2.1 provides that distribution at each of six census years between 1926 and 1971. The changes are such that agricultural employment in 1971 was only 47 per cent of the level found in 1926, industrial employment in the same period had increased by 79 per cent, and service employment by 29 per cent.

The economy in the 1920s was dominated by an agricultural sector characterised by low productivity: nearly one-half of the agricultural population were engaged in the subsistence production of a peasant system (Hannan, 1979). Employment in manufacturing industry was insignificant and had, in fact, been declining since the late nineteenth century. Subsequently, and particularly in the 1940s, manufacturing employment registered considerable gains, concentrated in the 1931-38 (Lyons, 1973, p. 619) and the 1946-51 periods. The more substantial increases of the 1946-1951 period, however, were transitory, being reversed through the disastrously conservative economic policies of the 1950s. It was not until the 1961-71 period that sustained expansion in non-agricultural positions in the economy was registered.

Thus the points of contraction and expansion among sectors did not coincide; in particular, the post-1946 decrease in agricultural employment was necessarily through emigration. Expansion in the other sectors prior to 1961 could not compensate for the exodus from farming; opportunities were necessarily sought in England, the United States and elsewhere through emigration.

Emigration ensured that the work force in 1971 was substantially smaller

[1]A note on terminology: Though we have extensively reallocated and aggregated various Central Statistics Office categories to produce the tables in this section, ultimately the population covered is determined by CSO definitions. The meaning of categories, however, is not always obvious from the label. The gainfully occupied population consists of all individuals who derive their livelihood from an occupation, irrespective of whether unemployment or illness prevents their active participation in it. The gainfully occupied are subdivided into those at work and those out of work. Individuals not gainfully occupied, do not participate in the labour force: "Persons engaged in home duties, persons at school, students, persons not yet at work and retired persons comprise the majority of the not gainfully occupied group" (1971 Census of Population Vol. IV, p. V.) Where an individual participates in an occupation but does not receive a fixed wage or salary — as with relatives assisting — they are allocated to the gainfully occupied category. Typically "individuals" are persons aged 14 years and over.

than that of 1926. That decrease took place between 1946 and 1961, when the number of gainfully occupied males fell by nearly 137,000, translating into a loss of 14 per cent of the 1946 work force. Demographic change, therefore, is to be understood within the context of a rapidly declining subsistence agriculture sector, and the absence of compensating industrial development until the 1960s. The continuous decline in the size of the total population that prevailed up to 1961 can be accounted for by emigration and the subsequent increase by the cessation of emigration (Walsh, 1968; Hannan, 1970; Geary and Hughes, 1974), a pattern distinctive to Ireland. The moderate rate of natural increase was, until the 1960s more than offset by emigration.[2]

The data thus far have described sectors of the economy. Such changes as were outlined impinge on social class analysis principally as they effect alteration in whether individuals participate in the economy as employers, through self-employment, as relatives assisting, or as employees. Table 2.2 examines the distribution among employment status categories of the agricultural and non-agricultural work forces (all those "at work") as it changed between 1926 and 1971. The changes registered are sufficient to justify the label "transformation", though the shift in social class composition is most marked in agriculture.

The main trend in agriculture is toward *a petit bourgeois* character; by 1971, production is primarily from owner occupiers working without either hired or family labour. The massive decline in male agricultural employment sustained between 1926 and 1971 can be attributed almost entirely to a reduction in the number of agricultural labourers by 83,000 and the number of relatives assisting by 145,000. Together, those categories account for nearly 70 per cent of the decline in the agricultural work force. From 1951, the sector is dominated by self-employed farmers. Farm labourers by 1971 represent only 15 per cent of total positions in agriculture. Farm labourers in the 1920s represented a quarter of that work force and self-employed farmers merely one-third. Though the numbers and the proportion of farmers who are employers also declined, the most precipitous decline was in family employment. Through Table 2.2 one can identify several periods of massive migration of farmers' sons and the

[2]High levels of fertility were balanced by a low marriage rate; where the rate of natural increase became consequential, emigration or unemployment resulted (Walsh, 1968). (The rate of natural increase in 1926-36 was 5.5 per 1,000, as contrasted with a 1966-71 rate of 10.1 per 1,000 population — a shift, on average, from 16,000 to 30,000 births per year (Walsh, 1968, pp. 310-311)). Once emigration had peaked in the 1954-58 period, high levels of natural increase combined with low emigration led to a rapidly growing population. The marriage rate has also increased substantially since the early 1960s: in 1926, only 38 per cent of women aged 25-29 were or had been married; later figures are 42 per cent in 1946, and 69 per cent in 1971. The age structure of the population, weighted towards the elderly through the massive emigration of the early part of the century and again in the 1950s, is now biased towards younger age groups, and thus an expanding labour force.

Table 2.2: *Percentage distribution of males at work by employment status 1927-71*

	Males employed in agriculture and fishing					*Males employed in non-agricultural pursuits*			
Year	*Employers*	*Self-employed*	*Relatives Assisting*	*Employees (mainly farm labourers)*	*Total*	*Employers*	*Self-employed*	*Employees*	*Total*
1926	7.8	34.0	35.7	22.5	100% (539,143)	5.9	13.9	80.3	100% (354,467)
1936	7.9	34.1	36.0	22.0	100% (514,703)	4.9	12.9	82.2	100% (384,241)
1946	7.7	34.6	33.0	24.6	100% (501,909)	5.3	11.5	83.2	100% (404,358)
1951	6.3	39.7	31.9	22.0	100% (439,162)	4.2	10.0	85.7	100% (465,932)
1961	4.1	49.7	28.0	18.2	100% (341,664)	2.9	9.8	87.2	100% (432,876)
1971	3.0*	62.9*	18.8	15.4	100% (251,576)	2.8*	8.9*	88.3	100% (524,931)

**Estimated:* Two categories were amalgamated for the 1971 Census.

Sources: Volumes IV and V of various *Census of Population of Ireland,* 1926 to 1971.

abandonment of farming by sons of smaller and poorer farmers. By 1970, of children born to farm families only one in five boys and one in twenty girls remained in farming (Hannan, 1970).

Several trends thus coincided to produce the composition of the post-1961 agricultural labour force. Class differences within the sectors became more acute, with the financial return received increasingly reflecting the size measured in acreage of the enterprise (Hannan, 1979). Such differences were not pronounced in the less mechanised, less commercialised agriculture that prevailed earlier in the century; by the mid-1970s, with entry into the EEC, however, size of farm holdings carried decisive weight in determining income. Over the same period, despite improvements to the economic rewards from farming, the class position of most farmers became more clearly *petit bourgeois* — dependent on one's own labour for production. But with the accentuation of class differences in farming, for small farmers the use of the *petit bourgeois* label is partly illusory. Most small farmers, though owner-occupiers, find themselves in poverty and isolation on small, uneconomic holdings that are insufficient to provide a decent living for themselves or for their children. Thus, though holding a completely different class position from that of the urban working class, as clearly indicated by the sale or rental value of their resources, the income and standard of living of many small farmers is equivalent to that of wage-earning unskilled manual labourers (Commins, Cox, and Curry, 1978).

The changes recorded in the non-agricultural sectors are, at least in Table 2.2's format, less dramatic than those occurring in farming. They are also in the opposite direction. As farming moved increasingly to a *petit bourgeois* character, the work force in other sectors became more proletarian. The proportion of "employers" and "self-employed" in industry and service occupations has declined from 20 per cent in 1926 to about 12 per cent in 1971, with the decline among employers more dramatic than for the self-employed. Trends outside agriculture are also distinctive in that employment in such activities is increasing, and rapidly so since 1961: the non-agricultural work force increased by some 177,000 over the 45 year period being examined.

The number of self-employed in the industrial and service sectors has remained essentially static over the 45 years, though a slight increase has been registered. This obscures the processes of differentiation that have greatly altered the composition of that category. While mainly of a *petit bourgeois* character in the 1920s and 1930s — artisans, small shopkeepers, and similar small proprietors — the trends subsequently were for an expanding importance for self-employed professionals. Table 2.2 is also inadequate as a representation of the massive changes that occurred within the two main sectors of the employed: non-manual and manual workers. We need to make finer distinc-

tions than are found in Table 2.2 if we are to understand the growing differentiation of market capacities within the non-agricultural labour force, differentiations in terms of the value attributed to particular skills and qualifications. Such differences are basic sources, in our view, of income inequalities among employees — as fundamental as are differences in size of enterprise among the proprietors.

Table 2.3 broadens the trends in census data to include such differences in market position. On that basis, the expansion in employment can be seen as having favoured a select range of occupational categories. The most notable comparisons that emerge are within the non-manual "middle class", as professionals and managerial employees increase in importance to a degree unmatched by non-manual workers with fewer formal qualifications; and within the manual working class, as skilled manual employment expands at a rate in excess of that for semi-skilled and unskilled employment. (A more detailed view of these trends can be found in Appendix Tables 2.1 and 2.2.) But the overall pattern is clear enough: as capital became more concentrated (Linehan, 1961/62) labour has become differentiated. The two trends are related, with the transformation of the production process leading to the differentiation among broad categories of workers.

Table 2.4 can summarise the trends as they unfold since the foundation of the state by merging the sectors into a seven-fold classification of social classes. The winners and losers in the course of the transformation are clear enough. The *bourgeoisie* and substantial *petit bourgeoisie* maintained their position or improved it: for them the benefits of their class of origin could be used to secure a favoured position in the new system. The same, by and large, can be said for the moderate-sized farmers, though this could be accomplished only by a selective transfer of family resources among the available heirs. Clear declines in viability, as evinced by sector size, occurred for small farmers and the marginally skilled among the manual workers. Those categories declined in size not through an orderly transfer to the expanding middle-class sectors, but through emigration. It remains to be seen in later chapters if this numerical criterion of advantage is associated strongly with income level.

The trends examined in this section reveal the changing hierarchy of positions available for producing income. The following conclusions can be drawn:

(1) Irish society in the 1920s and 1930s was predominantly *petit bourgeois*. More than one-half of the population in that period obtained their livelihood through exploitation of family property; the urban proletariat at most represented one-sixth of the population.

Table 2.3: *Percentage distribution of gainfully occupied males by social group: 1926-71*

Year	*Bourgeoisie and petit bourgeoisie, i.e., employers and self-employed*				*Employees — salary/wage earners*				
	Agricultural		*Non-agricultural*		*Non-manual "middle class"*		*Manual (working class)*		
	Employers per cent	*Self Empl. and Rels. Assisting* per cent	*Employers* per cent	*Self Empl. and Rels. Assisting* per cent	*Professional and Semi Prof. Managerial* per cent	*Lower Non manual (Inter. and lower Non-manual)* per cent	*Skilled man. (non farm)* per cent	*Semi skilled and unskilled manual (non farm)* per cent	*Unskilled and semi-skilled agricultural: (labourers etc.)* per cent
1926 (950,000)	4.4	39.1	2.2	5.5	3.7	12.1	6.7	11.7	14.1
1936 (974,000)	4.2	36.7	1.9	6.3	4.1	11.7	7.5	13.3	14.0
1946 (948,000)	4.1	35.8	2.3	5.0	4.7	12.2	7.7	13.5	14.1
1951 (931,000)	3.0	33.9	2.1	5.6	5.2	13.7	10.2	15.3	10.9
1961 (820,000)	1.7	32.3	1.5	5.8	7.3	15.4	12.0	14.6	9.3
1971 (828,000)	1.2*	24.6*	1.8	6.1	10.3	17.7	16.5	15.6	6.3

Sources: As in Appendix Tables 2.1 and 2.2.

*Estimated.

Table 2.4: *Social class composition of the male population (gainfully occupied Irish male population: 1926-71)*

Class Composition:	*1926*	*1946*	*1961*	*1971*
		per cent		
1 *Bourgeoisie and substantial petit bourgeoisie:* Employers and larger farmers ›100 acres with relatives assisting + half self-employed and relatives assisting in non-agricultural pursuits	12.0	12.0	10.0	9.0
2 *Upper Middle "Service" Class:* Professional and semi-professional employee status, plus managers, and salaried employees	4.0	5.0	7.0	10.0
3 *Petit bourgeoisie: Middle sized* Farmers (self-employed and with relatives assisting) on 30-100 acres; + half self-employed + relatives assisting in non-agricultural pursuits, plus employer fishermen	16.0	18.0	19.0	16.0
4 *Marginal petit bourgeoisie:* Small farmers and relatives assisting ‹30 acres; + all fishermen who are self-employed	23.0	18.0	12.0	8.0
5 *Lower middle-class (employee)* Mostly service workers intermediate and other non-manual workers	12.0	12.0	15.0	18.0
Working Class				
6 *Skilled manual workers* employees	7.0	8.0	12.0	17.0
7 *Semi-skilled and unskilled manual workers* (including farm labourers)	26.0	28.0	24.0	22.0
Total	100	100	100	100

See Appendix Tables 2.1 and 2.2 for sources

(2) That emphasis did not persist. By 1951, the expansion of "white-collar" and skilled working class positions assumed dominance. Henceforth, the decline of family-based employment, particularly in farming, ensured that a transformation would take place in favour of privileged categories of employees. Those categories not only manifested the greatest post-1961 expansion, but assumed an advantageous position in terms of income and job security. The situation of other non-property-owning groups remained little changed; they were marginal throughout the period being considered. It was for the children of the *petit bourgeoisie* — in effect de-classed by the transformation underway — that the change in life chances was the most dramatic. Those born to families on the smaller farms tended to transfer to the urban context in Ireland or Britain and assume traditional "lower" working class positions. (Hannan, 1970, pp. 70-71 and 209-236.)

(3)The structuring principle of family property was replaced by that of wage bargaining in the class system. A contrast between the placement of each new cohort of young men (aged 15-19) in the 1920s with that characteristic of the 1970s offers the starkest statement of the transformation. Over one-half of the cohort remaining in Ireland in the 1920s could depend on family employment that ultimately would lead to direct inheritance of the family business, house, and household property. By the 1970s, this would be true for less than 15 per cent of such a cohort. Education in the 1920s evinced only a slight impact on a person's adult situation; only for those from the middle classes with parents able to afford a private secondary school or university education did it prove decisive. By the 1970s, social class-linked packages of educationally determined skills and qualifications differentiated between skilled and unskilled manual workers, between professionals and routine service workers.

(4) The decline in family employment must be allotted the main role in carrying out this transformation. Employers, self-employed, and relatives assisting in the non-farm sectors represented together 8.0 per cent of the male labour force in both 1926 and 1971. It is likely, therefore, that the class structure today reflects, by and large, the residual of a selective process of emigration to Britain of young men and women from small farm and farm labouring backgrounds. Growth in employee middle class and skilled manual pursuits has compensated for the natural increase of the urban middle class and working class; it has not absorbed the decline in agriculture. The total increase in non-manual employment over the 1926 to 1971 period could at most have absorbed only 41 per cent of those who left agriculture, had no one else sought those positions.

These fundamental changes are a reflection of what has been achieved since Independence. Overall, the shift was toward an improved distribution of economic opportunities, with declines registered in the most precarious of positions, such as farm labourer, and the increases in industrial and service positions that characterise modern industrial society. What this meant in terms of opportunities for *mobility* can be readily established by treating the 1961 census as marking the economic breakthrough. By comparing the 1946-61 and the 1961-71 changes in six important occupational categories, Table 2.5 allows clarification of the consequences of that breakthrough.

Table 2.5: *Sectoral changes in employment: 1946-71*

	Period	
	1946-1961	*1961-1971*
1 Small farmers (<50 acres) and relatives assisting on farms	−98,500	−68,300
2 Agricultural labourers	−56,900	−24,000
3 Unskilled manual workers	−5,500	−500
4 Skilled manual workers	+25,200	+38,800
5 Upper non-manual	+15,300	+26,000
6 Lower non-manual	+10,700	+20,400
Total Decline (Σ 1, 2, 3)	160,900	92,800
Total increase (Σ 4, 5, 6)	51,200	85,200

For these categories, employment possibilities were on the decline over the full 25 years. Small farmers (including relatives assisting on farms), agricultural labourers, and unskilled manual workers taken together declined in numbers by 254,000 over the full period, with the decline somewhat concentrated in the pre-1961 years, but on the whole fairly evenly divided.

The number of positions in the other three categories — skilled manual workers, and higher and lower non-manual workers — expanded to provide 136,000 additional employment opportunities. That increase, however, was concentrated after 1961. The difference is particularly strong for "upper" non-manual employment, which grew by 15,000 positions in the 1946-61 period and by some 26,000 positions in the ten years that followed. Similarly, the increase in skilled manual employment over the first 15 years amounts to an average growth of about 1,700 annually, and 3,900 annually between 1961 and 1971.

As previously noted, the sequencing of these changes made it impossible for

the massive pre-1961 decline in marginal farming and unskilled manual labour to be compensated for by the expansion in skilled manual employment or non-manual employment. When the nature of the occupations in which most 1961 opportunities were concentrated is considered, the discontinuity between job losses and gains can be seen to be particularly acute. Though mobility into non-manual or skilled manual employment is possible for the children of, say, agricultural labourers, it is not a transition easily made by the parent. A required level of skills or qualifications act as a barrier. Whether the children of manual workers and small-farmers attained, or are currently attaining, those credentials is therefore the basic question, and will provide the topic of the section that follows. But it is useful here to indicate in historical terms the magnitude of the problem. For several large employment sectors, very substantial declines in opportunities could not be absorbed by the occupational categories experiencing growth. Instead the new employment possibilities were largely limited to those with family resources sufficient to secure the credentials that governed access into the newly consolidated advantageous positions of white-collar employment.

For most people, emigration filled the gap. There is insufficient information to chart precisely the flows between occupational categories within Ireland and the outflows in the form of emigration, but it is clear that class differentials in emigration did exist for the period of interest. Even in the post-1961 period, the majority of emigrants appear to have been drawn from those leaving agricultural employment — particularly farm labourers, the children of small farmers, and small farm owners themselves — and from the ranks of those classified as "not gainfully occupied" (Walsh, 1970; Hughes and Walsh, 1976; Hannan, 1970 and 1973).

Class differences in educational participation and attainment offer one source of insight into the distribution of market capacities: if participation of children in the 1970s in second-and third-level education is discriminatory, with access to valued credentials limited to the children of the privileged, the inequalities in income will be perpetuated.

Participation in Education

The historical evidence on the changing distribution of the population among categories of economic activity establishes the broad outlines of the re-structuring that occurred in opportunities. Inequality in access to those opportunities or positions, is a separate question: were some sections of the community able to monopolise entry to the expanding, advantageously situated, categories? The massive outflow of individuals through emigration and data limitations make a definitive answer impossible. But we can turn to educational participation rates as an index to both the present and the future

shape of the link between social class and income inequality. Whatever popular belief might suggest, if one knows the social class category of a household, it is possible to predict with considerable accuracy the educational qualifications received by the children born to that household. As a result, inequalities associated with market capacity are perpetuated in these families.

To determine the extent to which parents' social group (the closest approximation to social class by which the Central Statistics Office collate information) does in fact predict educational participation of children, selectivities will be examined at the primary, secondary, and third-level stages of the educational system.

1 Primary School Leavers

A primary education is the minimal qualification one can obtain. The legal age for school-leaving until 1972 was 14; it was then raised to 15. Since typically children complete primary-level education at some point between age 11 and 13 years, they must either transfer to a second-level educational institution, or remain in primary school, repeating the top classes or entering a "secondary top", awaiting the statutory age for school leaving.

In the absence of data on "illegal" school-leaving prior to completion of primary school, the main differential relevant to social class is that of transfer to secondary school. Rudd (1972) found that the percentage of children leaving primary school without availing of post-primary education was 15 per cent in 1966/67 and 13 per cent in the following year. The social class background of the non-transferees is quite homogeneous. A national survey of those "terminal" primary school leavers found that for their fathers "almost all the occupations would fall into the categories semi-skilled and unskilled manual labour and 'other agricultural' ". The reasons for the non-transfer varied, but all can be related, directly or indirectly, to the economic, social, and cultural circumstances of lower working class families, as well as to poor institutional (educational) provision in the communities in which such families are concentrated.

2 Second-Level Education

As entry into second-level education becomes commonplace — with participation rates soaring from 25 per cent in 1961 to nearly 50 per cent in 1971 (see Table 2.6) — it appeared possible that social class selectivities would diminish. This has not occurred. Instead, the inequalities of access by social group sharpen when 1961 and 1971 are compared. Table 2.6 first estimates the size of the relevant cohort of eligible students for each social group and then expresses that group's participation rate in terms of the percentage of available children who are in full-time education. The lowest 1961 participation rate

was for children of semi-skilled and unskilled manual workers (9.8 per cent); the highest was found for children of professionals, employers and managers (46.5 per cent). The rate of participation increased dramatically thereafter for both groups, with the precise magnitude depending on the method adopted for estimating the pool of potential students for a group. Adopting the second estimate as the more realistic, we find nearly 30 per cent of those from lower working class origins were in secondary education during 1971, as opposed to 67 per cent of the "upper" middle class. Thus, though the rate of increase was greater among those households with the least resources, the absolute differential between social groups 1 and 5 had widened slightly.

Table 2.6: *Participation rates in full-time education by social group 1961 and 1971 (persons aged 15-19)*

Social group	*Percentage persons aged 15-19 and 14-19 in full-time education*		
	1961	*1971*	
	As per cent of 1951 population aged 5-9	*As per cent of the estimated population aged 14-19 in 1971 from each social group background*	
		(1)	*(2)*
Total	24.9	48.5	47.9
1 Professional; Employers and Managers; Salaried Employees	46.5	86.4	67.3
2 Intermediate non-manual workers: (incl. own account proprietors)	39.3	48.0	47.6
3 Other non-manual workers	16.6	46.2	41.9
4 Skilled manual workers	17.3	49.8	42.1
5 Semi-skilled and unskilled manual (incl. agric.)	9.8	27.9	30.2
6 Farmers	27.7	48.8	54.6

Source: 1961 figures from *Investment in Education Report*, p. 151; 1971 figures calculated from COP, Vol. V. 1971 and Vol. V. 1961. Number in full-time education supplied by CSO from unpublished sources. Total no. of 14-19 year olds from (i.e. whose parents were from) each social group background estimated in two ways: (1) Estimated numbers in 4-9 age group in 1961 (Vol. V. COP, 1961); (2) Taking into consideration mobility into or out of categories between 1961 and 1971 of the original cohort and effect of emigration and immigration — this was done by estimating total size of 14-19 year old cohort in 1971 — if emigration had not already occurred (i.e. survivor) (Total = 355,331): and distributing that population by estimated per cent within each social group. The latter was done by averaging the 1961 and 1971 (0-14) percentage distributions. The second estimate appears to be the more realistic.

Social class differentials are likely to be identifiable in the type of second-level schooling received as well as in the general participation rates. Specifically, differences can be anticipated in the usage of vocational and secondary schools. A study by Swan carried out in 1972 allows us to measure the magnitude of that differential. As shown in Table 2.7, children from upper middle-class households (such as employers and managers) comprise 41 per cent of secondary school students and eight per cent of vocational school students; this can be contrasted by the nine per cent and 22 per cent, respectively, that semi-skilled and unskilled manual workers' children comprise of secondary and vocational student populations. Students of "lower" middle-class and skilled manual backgrounds are also disproportionately found in vocational schools; farm children represent an equal share of the two forms of secondary education. A clear social class base exists in the allocation of students to either a secondary or a vocational school, a division with considerable career consequences.

Table 2.7: *The social class composition of vocational and secondary schools in 1972. (Percentage distribution of first year pupils)*

	*Upper middle-class***	*Lower middle-class (other non-manual)*	*Skilled manual*	*Semi and unskilled manual and farm workers*	*Farmers*	*Total**
Secondary	41.0	8.2	19.6	8.8	17.6	95.2
Vocational	7.5	16.2	25.3	22.1	16.6	87.7

Source: From unpublished data from a national survey (n = 3377) of pupils supplied by Professor D. Swan, Department of Education, UCD, Dublin. The study is described in Swan (1978).

*Variation from 100.0 per cent represents students who could not be classified.

**Upper middle class = employers, managers, professionals and intermediate non-manual employees.

Though farm households evince a distinctive pattern in participation rates and in uses of secondary and vocational schools, the preceding tables conceal substantial variation among farm families. In Table 2.8 the relevant disaggregations are shown. Part (a) of the table treats all farmers as one category, while part (b) examines participation of farm children by rateable valuation, a commonly used proxy for the productive capacity of farm property.

Table 2.8 (a): *Educational achievement of adolescents by (a) sex and social group*

		The middle class		*Farmers*	*The working class*				
		Professional, and semi-professional workers	*Proprietors managers and intermediate non-manual workers*		*Skilled workers*	*Service workers*	*Semi-skilled workers*	*Unskilled workers*	
					per cent				
Males									
Secondary			71.1	26.2	42.4	42.4	22.2	8.9	33.4
Vocational		96.6	17.8	26.4	40.7	35.2	31.1	35.1	28.1
Primary only		3.4	10.0	46.6	16.9	20.4	46.7	55.3	37.7
Total	%								99.2
	N	100.0	98.9	99.2	100.0	98.0	100.0	99.2	748 -
		29	90	337	59	54	45	134	
Females									
Secondary		97.1	71.4	37.9	32.6	52.5	33.3	10.6	41.1
Vocational			15.5	42.7	38.5	27.2	39.4	37.5	35.1
Primary only		2.9	11.9	19.1	25.0	20.5	27.3	50.0	22.9
Total	%								99.1
	N	100.0	98.8	99.7	96.1	100.2	100.0	98.1	701 -
		35	84	351	52	44	33	104	

The percentages given here are computed from the total N given at the bottom of each column but since information on education is not available for each respondent the missing percentages are those for whom information on education is not available.

Source: Hannan, 1970.

Table 2.8 (b): *Educational achievement of adolescents by (b) adolescents from farm backgrounds by sex and farm valuation*

Post-primary education received, if any		*Valuation of farm*			
		Under £15	*£15 – £29*	*£30 – £44*	*£45 and over*
Males			*per cent*		
Secondary		21.7	17.4	53.1	55.9
Vocational		24.3	31.3	25.0	14.7
Primary only		52.2	50.7	21.9	29.4
Total	%	98.2	99.4	100.0	100.0
	N	115	144	32	34
Females					
Secondary		29.2	36.6	46.2	73.5
Vocational		50.0	46.2	30.8	17.6
Primary only		20.0	17.2	23.1	8.8
Total	%	99.2	100.0	100.1	99.9
	N	120	145	39	34

Source: Hannan, 1970.

When the four farm categories are compared to those relating to non-agricultural pursuits, males from small farms (those with rateable valuations of less than £30) have a pattern roughly equivalent to that of boys from semi-skilled and unskilled manual backgrounds, while the pattern for children from larger farms is roughly akin to that of those from the proprietorial, managerial and intermediate non-manual category. The differentials are equally marked for female students — those from large farm origins were in fact more advantaged in education than those with urban middle-class backgrounds, while those from small farms were as disadvantaged as were those from semi-skilled manual backgrounds. To the extent mobility into white-collar occupations is mediated through secondary education, the life chances of children from small farm origins are as restricted as are those of children from skilled or semi-skilled manual backgrounds.

Such inequalities in educational participation as we have examined will be exacerbated at the final stages of the post-primary senior cycle — the Leaving Certificate standard. That selectivity is important, both in terms of the Leaving Certificate's status as a prerequisite for entry into certain occupations — such

as bank official — and as the basis for determining eligibility for third-level education.

The data are available for social group selectivity among Leaving Certificate students. However, the social group categories used are not strictly comparable to those used thus far but they do allow us to disaggregate farm households by size of farm. When the distribution for the 1972/73 school year is examined in Table 2.9, the extent of selectivity present at this stage is found to be considerable, a further sharpening of the differentials that have been seen to narrow at each successive stage. The contrast between Leaving Certificate students and a national sample of adults in employment is instructive. Taking the column for students first it can be seen that they predominantly (over 60 per cent) are of middle-class backgrounds, and less than 10 per cent are from lower working-class origins (semi- and unskilled manual workers); the contrasting population percentages for those class categories are 36 and 29 per cent, respectively. Formally, credentials such as the Leaving Certificate are open to all — but social class selectivities dominate the composition of those who attain it.

Table 2.9: *Social group composition of Leaving Certificate students in 1972/73 compared to that of total population*

"Hall Jones" SES Group		*National sample of 6th year "Leaving Cert" students: 1973*	*National sample of adults in employment*
		(per cent)	
1 Executive/professional; farmers over 200 acres		9.2	4.0
2 Managerial: farmers of 100-200 acres		8.1	4.4
3 Supervisory/inspectorial (high); farmers of 50-100 acres		18.4	12.0
4 Supervisory (lower); farmers of 35-50 acres		24.4	15.4
5 Routine non-manual; farmers of 15-35 acres		10.2	15.6
6 Skilled manual; farmers of 15 acres or less		16.2	19.0
7 Semi-skilled manual		4.5	10.8
8 Unskilled manual		5.2	18.4
9 No information		3.9	0.4
Total	%	100.0	100.0
	No	1486	1219

Source: Committee on Language Attitudes Research survey of 6th year pupils in post-primary schools (unpublished results).

3 Third-Level Institutions

Participation rates in third level education, if differentiated by social group, provide an especially strong indication that the present class structure will be perpetuated, and will be strongly related to income inequality. The sociological term for that process is "social reproduction", in which the advantages of credentials obtained through the educational system and the cultural knowledge associated with a college education remain restricted to particular categories of families.

As a cohort of students moves from age 15 to age 19, the number remaining in education markedly declines. By the time the Leaving Certificate is attempted, the social group selectivities in participation are so pronounced that policies directed at equalising access to third-level institutions could at best have a marginal impact. The bulk of those from working-class and lower middle-class backgrounds have already been removed from the pool of potential students in higher education.

However, a general trend in recent years toward an increasing overall participation rate the dimensions of which can be gauged in Table 2.10 raises the possibility that class differentials are diminishing. By the mid-1970s, nearly one-quarter of each cohort remained in education at age 18, an increase from the 10 per cent who did so in the mid-1960s. The 1976 overall rate for the Republic shown in Table 2.10 is higher than that found in Northern Ireland and also higher than in Great Britain (Tussing, 1978, pp. 91-92). But has this been associated with a diminution of social class differentials?

Table 2.10: *School participation rates by age: 1964 to 1976 and projected 1981 rate*

Age	*1964*	*1966*	*1969*	*1970*	*1974*	*1976*	*Projected 1981*
Republic of Ireland							
15	51.5	54.1	69.3	71.2	77.6	80.0	86.0
16	36.8	39.0	50.4	56.9	60.2	63.0	67.0
17	23.6	25.8	32.3	39.3	43.1	48.0	52.0
18	9.9	9.2	10.6	20.5	22.4	24.0	29.0

Source: Sheehan, 1976; Tussing, 1978, p. 91.

As a first approximation of participation differentials in the 1970s, Table 2.11 provides separately the social group distribution of first year entrants in

12 institutions. The institutions are: the National University of Ireland's constituent colleges, the NIHE, Limerick, three regional technical colleges — Galway, Waterford and Cork — and the three teacher training colleges. The limitations in coverage of non-NUI institutions result from unavailability of data — a special study is required to obtain the necessary information. Still, the comparisons possible from Table 2.11 are solidly indicative of the pattern in which we are interested.

Two sets of comparisons will be noted. First, the universities will be contrasted with other types of institutions, acknowledging variations within each group. Second, to control for possible regional or other geographic differences, the universities and RTCs will be compared for Cork and for Galway.

The Central Statistics Office's twelve-fold social group categorisation is used in Table 2.11. On the basis of the reported occupation of their parents, first-year students were classified into the appropriate social group; where the necessary information was not available or not adequate, students were placed in Category 11. The proportion of students not allocated to a social group, and therefore placed in Category 11, varies across the institutions, posing some problems. However, by combining Categories 2, 3, 4 and 5 (professionals, administrative and senior or managerial employees along with employers) a rough indication of middle-class participation rates can be seen. Similarly, the combined Categories 8, 9 and 10 (all of which contain the children of manual workers) can be taken as an approximation of working class rates. Farmers are already aggregated into one category, Category 12.

The general differentiation in participation by social group emerges unambiguously, as do differences corresponding to type of institution. For the universities, middle-class backgrounds are found for between 66 per cent (Trinity College) and 43 per cent (University College, Galway) of the total student population. This middle-class predominance was strongest in Dublin. For non-university institutions, the percentage of students from middle-class backgrounds was generally between 20 and 25 per cent, without much variation and certainly without any evident pattern. Necessarily, the converse of middle-class representation is found in the percentages of students entering with farming or working-class backgrounds. Six to seven per cent of students in the Dublin universities had parents classified as working class and 12 to 13 per cent were from farm families. Outside of Dublin and in non-universities within Dublin, the working-class presence among the student populations tend to be in excess of 15 per cent, and reaching as high as 24 per cent in Waterford RTC; the pattern for farm backgrounds is similar, though the representation is more substantial, with the percentages ranging from 20 (University College, Cork) to 38 (Carysfort College) per cent.

Table 2.11: *Social group distribution of first year entrants to third-level institutions*

Social groups	*UCD* *1977*	*TCD* *1977*	*UCC* *1977*	*UCG* *1977*	*Maynooth* *1977*	*NIHEL* *1977*	*RTC Cork* *1977*	*RTC Galway* *1978*	*RTC Waterford* *1976*	*Mary Immaculate Limerick* *1977*	*Carysfort Dublin* *1977*	*St . Pats Dublin* *1977*
							per cent					
1 Agricultural labourers	0.5	0.5	0.9	0.2	2.4	1.1	1.8	0.6	1.2	—	0.4	0.9
2 Higher professional	13.5	20.2	11.9	13.7	7.2	10.1	7.9	5.7	5.3	0.4	3.0	2.6
3 Lower professional	6.8	7.9	8.3	7.2	7.2	1.4	1.5	8.1	6.2	12.9	8.9	11.2
4 Administrative, executive and managerial workers	22.0	26.5	17.9	13.9	4.5	6.7	10.0	6.1	12.1	10.4	17.7	5.2
5 Senior salaried employees	8.8	11.2	8.9	7.8	5.1	6.2	2.1	3.6	3.7	2.5	3.8	4.7
6 Intermediate non-manual workers	8.1	7.3	9.4	12.2	7.2	17.6	19.1	15.4	15.0	25.8	10.1	16.4
7 Other non-manual workers	2.9	2.8	4.7	2.1	3.3	0.3	7.1	3.0	5.6	0.8	3.0	5.6
8 Skilled manual workers	5.8	4.6	9.5	6.8	6.0	10.6	10.0	13.3	14.0	17.1	7.2	7.8
9 Semi-skilled manual workers	0.9	1.1	3.3	2.1	7.2	0.6	4.7	1.0	2.5	—	0.8	6.0
10 Unskilled manual workers	0.5	0.2	0.8	1.4	6.3	5 .6	3.5	2.2	7.5	0.4	0.8	3.0
11 Persons who cannot be allocated to above groups or to group 12	17.8	4.5	4.9	2.8	14.5	14.3	10.6	5.4	3.7	2.5	5.1	13.8
12 Farmers, managers, farm foremen	12.3	13.1	19.5	29.9	28.6	25.5	21.8	35.6	23.1	27.1	38.2	22.8
*Total**	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
N	2,038	1,324	1,032	907	332	357	340	495	321	240	237	232

*Rounding errors account for all discrepancies from 100.0%.

Sources: Unpublished student statistics from institutions.

In the two instances in which universities and regional technical colleges share catchment areas — Cork and Galway — the differential inflow of students by type of institution is stated most clearly. In Cork, students with middle-class backgrounds formed 47 per cent of the university intake and 22 per cent of the regional college intake; manual working backgrounds comprised 14 and 18 per cent, respectively, of the student populations. In Galway, the pattern was similar: 43 per cent of the university and 24 per cent of the regional college students were from middle-class families, as opposed to the 10 per cent with working-class backgrounds in the universities and the 17 per cent with such backgrounds in the regional college. There was little difference in either area in terms of the proportion of students that had farm backgrounds.

Extending the range of third-level institutions beyond the universities moderates, but does not remove, the predominance of children from middle-class families in higher education. In any case, the universities are the institutions that proffer the credentials and knowledge that possess the highest value, and there the differences in participation rates by social group are marked indeed.

To fully understand the implications of such predominance for the maintenance of social class boundaries, it is necessary to weight each group's participation by the potential pool of individuals from that group. What proportion of, say, unskilled manual children attend a third-level institution? This can be done by estimating the number of individuals by age likely to be potential students. The availability of Nevins' (1967-68) study based on the 1965 university intake, constitutes a benchmark which makes it possible to consider the changes that have occurred in recent years and therefore a preview of the likely class structure for the mid-1980s.

Table 2.12 compares the differentials take-up rates among the social groups for 1965 and 1978/79. The 1978 data are disaggregated for university and other third-level institutions; for universities the coverage is complete, while for the other category only partial returns are available. In 1965, 37 per cent of the cohort formed by children from higher professional backgrounds entered university, this was true of less than two per cent of those with manual working backgrounds. Potential students from professional family backgrounds had 186 times the chance of entering university than did potential students from unskilled manual backgrounds. While these differentials were reduced somewhat by 1978, the former had still at least a 60 times better chance of entering university than the latter (see Table 2.12). The relative level of inequality, therefore, has been reduced, but even in 1978 less than one per cent of unskilled manual workers' children and only five per cent of those from semi-skilled manual backgrounds entered university. Educational opportunities nearly doubled since 1965 for most middle-class categories and more than quadrupled

for the combined working-class categories. Both the large increase in the overall participation rate and the higher rate of increase for working-class families are major achievements. But the share of working-class families in third-level education was so minute in the 1960s as to result in only a small actual reduction to class differentials. In the absence of policies and programmes in second-level education to encourage working-class students and an explicit decision to increase their share of third-level entrants, it will be decades before a substantial reduction in differentials will occur.

Table 2.12: *Third level participation rates by social group: cohort percentages for 1965 and 1978/79*

Social group	*No. of students in each social group as percentage of total potential students from that social group*				
	Universities			*Other third level institutions***	
	*1965**	*1978-79***		*1978-79***	
		(a)	*(b)*	*(a)*	*(b)*
			per cent		
1 Ag. workers	0.3	1.8	2.1	2.0	2.3
2 Higher professional	37.2	64.7	55.0	19.9	16.9
3 Lower professional	28.8	26.5	20.6	34.6	26.9
4 Manag. & executive	25.7	36.7	25.5	18.9	13.3
5 Senior sal. employees	19.9	45.1	40.4	18.3	16.6
6 Int. non-manual workers	11.5	10.1	10.6	14.6	15.6
7 Other non-manual workers	1.6	2.7	2.4	3.7	3.0
8 Skilled manual workers	2.1	3.5	3.0	6.3	5.3
9 Semi-skilled manual workers	0.4	3.0	4.0	4.0	5.0
10 Unskilled manual workers	0.2	1.0	0.9	3.3	3.0
11 Not known (N =)	(N = 58)	(N = 475)	(N = 475)	(N = 419)	(N = 419)
12 Farmers	3.7	7.9	9.1	12.6	14.6
Overall Average (*N* =)	5.5	9.8 (5,940)	9.5 (5,940)	10.1 (6,108)	9.8 (6,108)
Total No. in "one year" originating cohort		60,360	62,351	60,360	62,351

**Source:* (Nevin, 1967/68, Table 4, p. 224) 1965 data are only available for university entrants; The Higher Education Authority, 1980, p. 69, Table 38.

**The denominator of estimate (a) is based on the social group distribution of the *0-14* age cohort in the *1966* (b) on the *1971* Census: (COP, *Vol. IV,* 1966 and 1971). As the great majority of University entrants were aged 17-19 in 1978 these would have been aged 5-7 in 1966 — "mid-way" in the 0-14 cohort—; and 10-12 in 1971. The most relevant base therefore appears to be the 1966 cohort. However, both the size of the relevant cohort increased between 1966 and 1971 and its social group distribution shifted. This was not equally true of the 1956-61, 65 period. The National Institute for Higher Education, Limerick is included here (number of students = 366).

***Due to the limitations of available data, the institutions included are: The Regional Technical Colleges in Cork, Galway and Waterford; Mary Immaculate College of Education, Limerick; Carysfort College of Education, Dublin; St. Patrick's College of Education, Dublin. Data for the RTC in Waterford are for 1976; data from all the other colleges are for 1978. The cohort participation rates are adjusted by a factor of 3.32 to reflect the share of non-university institutions in third-level education: 6,108 students in 1978-79, of whom 1,838 were enrolled in the above-named institutions.

The limited coverage of non-university institutions — those included are listed in Table 2.11 — makes the remaining cohort data indicative rather than conclusive. To produce overall participation rates, the 1,838 students were treated as a sample of the total of 6,108 non-university new student entrants in 1978. The number found in each social group was multiplied by 3.32, on the basis of an assumption that our sample is representative of population of third-level students outside of the universities. Table 2.12 contains the resulting participation rates.

Social group differentials are less marked outside of the university system. About one per cent of each age cohort of unskilled manual workers' children attends university, whereas three per cent of that cohort attend the non-university institutions. Overall, the inequalities between middle-class and manual workers categories in access to education are substantially mitigated by the presence of the regional technical colleges and similar institutions: mitigated but not removed. Middle-class households are sending their children to those institutions to a degree that exceeds that for all other categories. Where their participation rate is low, as for higher professionals, it is merely the converse of their very high rates of enrolment in the universities. And for some of the "lower" middle-class categories, such as intermediate non-manual workers, as well as for lower professionals, the growth in the non-university sector has apparently served as an alternative to the less accessible university placements. Certainly those categories failed to share in the general pattern of increased utilisation of the universities; instead, their cohort share remained constant or actually declined.

The basic trend over the 12-year period for the universities is toward a more efficient use by middle-class employees, and especially by higher professional and salaried workers, of the university system to "re-create" itself. Children in those categories will tend to obtain the same type of educational credentials as did their parents. Such closure is indicative of a well-defined social class structure, one which will not be altered by the entry into white-collar employment and the professions of two to three per cent of the children of working-class families except in the very long term.

When we combine the university and non-university participation rates, the magnitude of the social class barriers reflected in, and perpetuated by, the educational system are fully revealed. Third-level education is attained by nearly three-quarters of the children of higher professional backgrounds and nearly one-half of those from lower professional backgrounds. At best, eight per cent of those from manual worker backgrounds enrol in third-level education; for children of unskilled manual workers or of agricultural labourers, the rate amounts to about four per cent of the cohort.

One basis for obtaining a perspective on these social group differentials is

through a comparison with the situation in the United Kingdom; that the overall participation rates at second level in Ireland are higher than in the UK makes the comparison particularly apt. If 1978 first year entrants to Irish universities are compared with their counterparts in the UK for 1974, the most recent information available, the distributions by social group background in Ireland are clearly the less equal. Table 2.13 contains the relevant distributions of students and the population as a whole. In the Republic of Ireland, working-class students comprise 13 per cent of the university entrants and 46 per cent of the general population; in the UK, the corresponding percentages are 23 per cent of entrants and 58 per cent of the population. The over-representation of upper "middle-class" households, at least as judged by their expected frequency, is also more pronounced in Ireland: that group contributed 63 per cent of university entrants in Ireland, more than twice the "expected" percentage, and 72 per cent in the UK, less than twice the population share. It seems, therefore, that the considerable expansion in the provision of university places has not translated into substantial changes in social class selectivities.

Table 2.13: *Social class selectivities in university entrants: UK and Republic of Ireland*

	Irish data		*UK data*	
	% distribution 1971 census of population	*% distribution of university entrants 1978*	*% distribution 1971 census of population*	*CAO distribution of first year students 1974**
Farmers	20.4	18.4	4.1	2.8
Middle-class	25.9	63.3	37.0	72.0
Working-class	45 .5	13.4	57.9	23.2
Unknown	8.2	5.0	—	—

Sources: "The Socio-Economic Background of Students in UCD", by Ann Burns *UCD News,* July – September 1976; "Trinity — The Closed University", *USI News,* October, 1977. Census of Population from Volume IV.

*CAO stands for Central Admissions Office.

Educational qualifications are obviously most relevant to households dependent on wage employment for their income; this would be true even if it were demonstrated that entrepreneurs and farmers can translate higher levels of education into business acumen. Just as the size and quality of property will have direct consequences for the income, an employee's credentials establishes the broad income range to which he or she can aspire. In terms of the objectives of this paper, it is important to see the extent to which

attainment of such valued credentials is systematically distributed by class. Table 2.14 permits this by grouping the heads of households in each of the 14 class categories in terms of the highest educational level they achieved. Three basic levels are identifiable. First, farmers with small or marginal holdings and unskilled manual workers have a common pattern: 90 per cent or more of such households are headed by someone with only a primary school education. A second level is formed by larger farmers and manual workers with skills. The variation at the third level is considerable. Large and small proprietors and all "white collar" categories have educational credentials substantially greater than do farmers or manual workers. However, the educational profiles for the two professional categories is distinctive in the rate of attendance at institutions of higher education — over 75 per cent of all household heads in both such categories had at least a Leaving Certificate.

The sharpest division is between manual and non-manual workers, with clear gradations within each such category. Again, in terms of structural location, service workers clearly fit within the "upper" working class rather than with intermediate non-manual workers. Skilled manual and service workers have roughly equivalent patterns, while the rest of the working class have distinctly lower levels of education. The extraordinary low level of education of smaller farmers with less than 50 acres contributes greatly to their weak class position. Their resources are unlikely to generate a viable income from agriculture. If they were to leave or to be forced out of farming, given their educational credentials, their only possible destination is within the lower working class. The larger farmers are only marginally better off in terms of their potential "labour power" or possession of "cultural capital". Independent of the physical capital they own, the educational qualifications typically possessed by proprietors is midway between that of manual and non-manual workers. Potentially, they are in a position to move into the labour market at a level unattainable by those of small or marginal farm backgrounds. But education is not the only key to well-remunerated positions. Inheritance and entrepreneurial skills are obvious alternatives, as revealed in the 39 per cent of large proprietors with only a primary-level education.

An overview of the selectivities operative in the three main levels of the educational system in the 1970s, and the contrast, where available, with the 1960s situation, suggest a persistent restriction on social mobility. It will be recalled from the first section of this chapter that the expansion in employment opportunities has been in white collar and skilled manual positions. The associated requirements of educational and training credentials place the children of the marginal working class and small farm families at a considerable disadvantage. It appears that the main beneficiaries of the changing opportunities will inevitably be, and so far have been, the children of the *petit*

Table 2.14: *Percentage distribution of household by educational attainment of head of household, by economic class category*

Level of education of head of household		*Class category*													
		Bourgeoisie		*Farmers*				*Middle class*			*Working class*				
		1 Large prop.	*2 Small prop.*	*3 Large*	*4 Medium*	*5 Small*	*6 Marginal*	*7 Higher Prof.*	*8 Lower Prof.*	*9 Non-Man. Inter.*	*10 Skilled Manual*	*11 Service Workers*	*12 Semi-Skilled*	*13 Unskilled*	*14 Residual*
Primary only		38.6	52.9	78.1	84.2	91.1	95.6	7.9	11.4	30.1	66.7	69.1	81.6	93.3	78.2
Vocational		9.0	12.5	2.4	4.0	4.0	1.4	3.0	3.9	9.5	18.2	13.6	6.8	3.2	4.7
Secondary-Intermediate Certificate		17.1	20.0	15.8	8.1	3.0	2.0	6.6	8.5	18.4	10.2	11.9	8.6	2.7	8.7
Secondary-Leaving Certificate		24.5	13.3	2.8	3.7	1.3	0.8	36.5	23.0	37.5	4.4	5.2	2.5	0.6	7.0
Higher level		10.8	1.3	0.9	—	0.6	0.3	45.9	53.3	4.5	10.8	0.3	0.5	0.1	1.3
Total	*Percentage*	100	100	100	100	100	100	100	100	100	100	100	100	100	100
	Number	167	304	257	388	448	564	349	282	834	974	598	667	1126	675

Source: Special analysis of *1973 Household Budget Survey*.

bourgeoisie of the class system observable in the 1930s; they have disproportionately taken advantage of the use of credentials to obtain positions in the expanding sectors of service and industrial employment.

Social Mobility: The Location and Strength of Class Boundaries

In the preceding sections of this chapter we have examined the distribution of available positions for producing income and the distribution of the credentials attesting to knowledge or skills that are often prerequisites for entry into the more favoured positions. The growth in white collar and skilled manual employment, when combined with the over-representation of middle-class children in second- and third-level education — over-represented, that is, in comparison to their share of the total population — suggests social mobility is limited. The boundaries to movement from, say, a working class family into the higher professional category, are formidable. That they are regularly breached merely provides exceptions that cannot challenge the rule. Where individuals and their children and grandchildren are confined to a limited range of economic positions, and thus to the typical level of rewards associated with those positions, the greater will be the probability that a socially and culturally differentiated set of class groupings will emerge. Social mobility is the strongest index of whether that has occurred.

In the available survey data on social mobility, there is no consistent social class or occupational categorisation. The most extensive study is Hutchinson's (1969) survey, which uses the Hall-Jones classification. It is also limited to Dublin, to males, and it amalgamates routine non-manual workers with skilled manual workers as one category. Despite these limitations, Hutchinson's data, which were collected in 1967, offer the best relevant evidence.

Table 2.15 is in the form of an "outflow matrix". The survey respondents were first classified on the basis of their father's Hall-Jones category, the "origin." Then, the respondent's own current occupation is used to place him in the category of destination, so that the far left column in the table is the distribution of children whose fathers were higher professional or higher administrative workers: 46 per cent were themselves children of higher professionals or administrators, as opposed to 3 per cent who became unskilled manual workers.

An examination of the extent and distance of movement from fathers' to sons' occupational group in Table 2.15 shows that for any pair of categories the relative distribution of "destinations" reached by the sons, differs widely. If the distributions were identical it would indicate exact equality of opportunity for social mobility. If there were no overlap or little similarity in the distributions, social mobility opportunities would vary widely.

The index of dissimilarity utilised by Blau and Duncan (1967) — the sum

of the differences of the same sign between corresponding column percentages — can be used to measure this social distance between the originating status categories of persons with respect to the similarity of their social mobility probabilities. When the distributions are identical this measure will be zero, when there is no overlap it will take on a score of 100. Table 2.16 sets out the dissimilarity matrix derived from the above table, and the dendogram (Figure 2.1) results from a cluster analysis of that similarity matrix, indicating the "nearest neighbour" or most similar set of categories. Categories are initially fused according to the minimal distance between them — the ones with the least distance being fused first, the successive fusions of individuals and pairs culminating in one final grouping.

Table 2.15: *Social mobility: social status by father's social status*

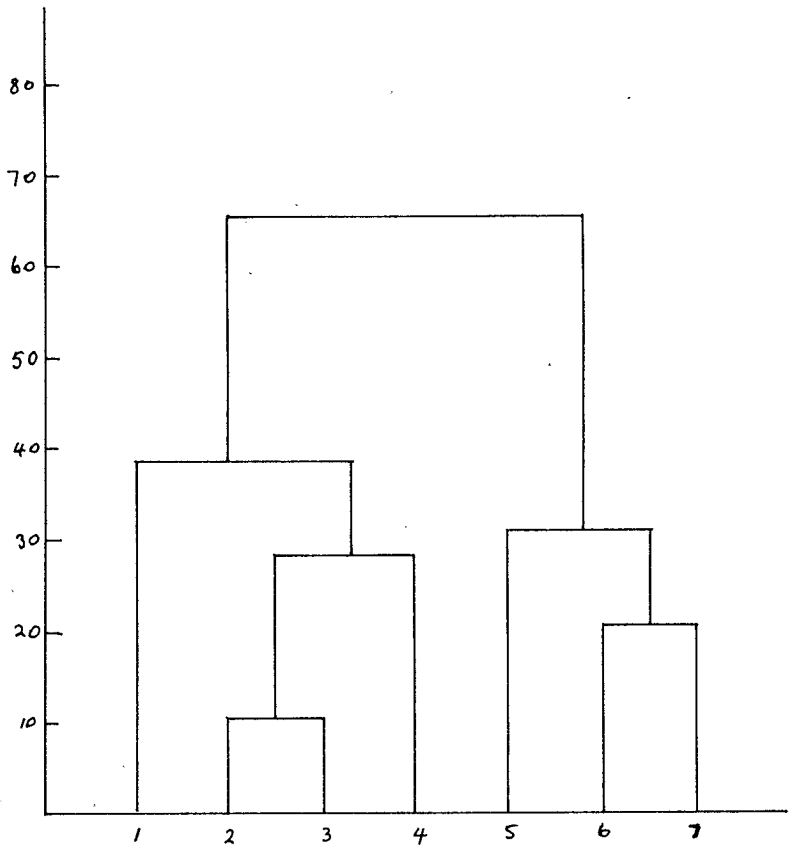
Son's status category (destination)	*Father's status Category (origin)*							*All subjects*
	1	*2*	*3*	*4*	*5*	*6*	*7*	
	per cent							
1 Higher professional and higher administrative	46.4	16.7	13.2	6.2	1.5	0.3	—	4.9
2 Managerial and executive	14.5	22.5	14.6	10.5	1.6	0.3	0.2	5.2
3 Higher inspectional supervisory and other higher grade non-manual	20.3	20.8	25.0	11.5	6.5	3.0	1.3	8.6
4 Lower inspectional supervisory etc.	10.1	25.8	27.8	37.7	16.1	8.4	7.7	18.6
5 Skilled manual and lower grades of non-manual	4.3	11.0	15.1	25.8	48.3	36.1	28.0	33.1
6 Semi skilled manual	1.4	2.5	2.8	4.5	13.4	28.8	18.9	13.0
7 Unskilled manual	2.9	2.5	1.4	3.8	12.7	23.1	43.9	16.6
N =	69	120	212	419	876	299	465	2,460

Source: B. Hutchinson, *Social status and Intergenerational Social Mobility in Dublin.* ESRI Paper No. 48, 1969, p. 17.

Table 2.16: *Dissimilarity matrix: indices for social status outflows (from Table 2.15)*

	1	*2*	*3*	*4*	*5*	*6*	*7*
1	—						
2	30.1	—					
3	34.7	10.5	—				
4	61.0	31.8	24.6	—			
5	71.6	60.1	54.9	40.2	—		
6	79.3	73.8	68.6	53.9	25.9	—	
7	82.1	76.6	71.4	56.7	36.8	20.8	—

Figure 2.I: *Dendogram: similarity among social groups*



If one ignores the anomalous pattern for Category 5 — which includes both skilled manual and routine non-manual occupations — the structure of social group distinctions is based on a major cleavage between (i) non-manual (1, 2, 3, 4) and (ii) manual occupations (5, 6, 7). At the next stage (i) splits into (a) a clearly distinct higher professional/administrative category, which has the highest level of self-recruitment of all categories and the lowest level of downward mobility into the working class; and (b) all other non-manual groupings. And (ii) splits into the skilled manual/routine non-manual category and other lower status manual groupings.

This evidence suggests the presence of boundaries to mobility that are more rigid in Ireland than in Britain (see Goldthorpe, 1980). A very clear barrier to mobility separates those from manual and non-manual backgrounds. Within each such grouping, restrictions on movement between upper and lower levels are also clear.

To conclude therefore the following social class boundaries appear to be very significant: (i) manual/non-manual; (ii) lower working and upper working class; (iii) upper and lower-middle class. In addition, data on farm families suggest that the distinction by size of farm or value of enterprise is also strong, a distinction not typically made in most of the class analyses of income that have been carried out in other countries.

Conclusion

Social stratification, the study of structured social inequalities, has two facets. First, there is a hierarchy of positions for economic participation, ordered according to their perceived desirability and the material rewards received by incumbents. Second, there is recruitment or mobility into those positions by individuals. Inequalities exist among both positions and among individuals in their prospects and placements. This chapter has examined the available evidence for Ireland on the positions available to be filled — what Wright and Perrone (1977) term the "empty places" — and on the experiences of individuals from various backgrounds in obtaining the qualifications associated with particular positions and on their actual social mobility experiences.

The occupational, educational, and mobility data examined were collated from a diversity of sources — the categorisations used are not consistent. However, the main outlines of the Irish stratification system today, and the changes it experienced since Independence, emerge with considerable clarity. Chapter 2 thus forms the context for the study of income inequality.

That context highlights the reality of structural barriers that, despite the problems of inadequate and varying classifications, correspond to sharp social class divisions. The relevance of those barriers for a study of income inequality was firmly established by the data on the educational backgrounds of house-

hold heads in our 14 class categories. It can be inferred from the information on the educational participation of various groups in the 1960s and 1970s that the potential for mobility out of the more marginal and disadvantaged categories will be slight. The children born into such categories will lack the credentials for movement to other positions. Given the long-term trends in size, as measured by the number of positions, for categories such as unskilled manual work even the availability of employment opportunities comparable to those of their parents must be considered problematic.

The material in Chapter 2 also suggests where the basic social class demarcations in Ireland are to be found. A basic divide among employees, separating manual and non-manual workers emerges strongly, as do divisions within each side of that divide. But an equally clear basis of stratification is not readily identifiable in terms of property ownership. The quality of one's resources for production does differentiate among property owners, but the marginality of many property owners creates anomalies: it often appears that the closest "connecting links" — in Giddens' (1973) phrase — are of small and marginal farmers to unskilled manual workers. Such farmers are unlikely to have sufficient resources for generating an independent income, and if they move into employment, they and their children have mobility chances similar to those of unskilled or semi-skilled manual workers. In a study of income distribution by class, this connection may prove particularly important.

Appendix Table 2.1: *Distribution of gainfully occupied male labour force by class categories, 1926 to 1971*

(Computed from detailed occupational volumes of censuses 1926-1971)

	1926		*1936*		*1946*		*1951*		*1961*		*1971*	
	Nos.	*%*	*Nos.*	*%*	*Nos.*	*%*	*Nos.*	*%*	*Nos.*	*%*	*Nos.*	*%*
A. Agriculture: farming												
(i) Employers	41,804	4.4	40,545	4.2	38,846	4.1	27,844	3.0	14,001	1.7	9,745[E]	1.2
(ii) Self-employed + relatives assisting (100+ acres)	24,927	2.6	26,294	2.7	26,954	2.8	27,737	3.0	30,096	3.7	25,250[E]	3.0
(iii) Self-employed + relatives assisting (50-100 acres)	54,844	5.8	58,088	6.0	60,556	6.4	61,172	6.6	62,591	7.6	55,088[E]	6.7
(iv) Self-employed + relatives assisting (30-50 acres)	75,143	7.9	78,764	8.1	80,540	8.5	77,433	8.3	69,742	8.5	53,782[E]	6.5
(v) Self-employed + relatives assisting (<30 acres)	212,564	22.4	191,069	19.6	163,230	17.2	143,036	15.4	99,804	12.2	65,086[E]	7.9
(vi) Acreage undefined.	3,510	0.4	2,689	0.3	2,822	0.3	1,852	0.2	843	0.1	1,258[E]	0.2
B. Other agricultural												
(vii) Employers (included under A (i) above)	(n = 368)		(n = 170)		(n = 255)		(n = 221)		(n = 287)		(n = 253)[E]	
(viii) Self-employed + relatives assisting	4,959	0.5	4,292	0.4	5,550	0.6	3,705	0.4	1,920	0.2	2,741[E]	0.3
C. Non-agricultural activities												
(ix) Employers	20,777	2.2	18,923	1.9	21,926	2.3	19.689	2.1	12,582	1.5	14,517[E]	1.8
(x) Self-employed + relatives assisting	52,212	5.5	61,060	6.3	53,334	5.6	52,552	5.6	47,897	5.8	50,107[E]	6.1

Contd. . . .

Table 2.1—*Contd.*

	1926		1936		1946		1951		1961		1971	
	Nos.	%	*Nos.*	%	*Nos.*	%	*Nos.*	%	*Nos.*	%	*Nos.*	%
D. Employees												
(xi) Upper middle class (The service class: higher + lower professions, managers + salaried employees)	35,179	3.7	39,602	4.1	44,176	4.7	48,338	5.2	59,517	7.3	85,499	10.3
(xii) Lower middle class (intermediate + other non-manual)	115,449	12.1	113,712	11.7	115,565	12.2	127,875	13.7	126,225	15.4	146,653	17.7
(xiii) Skilled manual	64,111	6.7	72,843	7.5	72,904	7.7	94,949	10.2	98,059	12.0	136,854	16.5
(xiv) Semi + unskilled manual	245,107	25.8	266,604	27.4	261,624	27.6	243,779	26.2	196,691	24.0	181,354	21.9
Total gainfully occupied[1]	950,466	100	974,361	100	947,888	100	930,705	100	820,496	100	827,966	100
Total allocated[2]	950,466	100	974,361	100	947,703	99.98	929,918	99.92	819,968	99.94	827,417	99.93

E = Estimated: details of classifications and estimating procedures are available from the authors on request.

[1]The total gainfully occupied figures refer to published totals in Census volumes, excluding "theological students," "professional students," "articled clerks," and "other undefined workers." The totals also exclude those in hospital for 1926, 1936, 1946, and 1951. The relevant tables in each Census refer to classifications of occupations by industrial/employment status.

[2]The total allocated figures refer to individuals actually allocated in this table. Discrepancies in the totals arise for the years 1926 to 1951 as data on farmers' relatives assisting include individuals in hospital.

Appendix Table 2.2: *Changes in the class composition of the Irish male labour force, 1926 to 1971**

Class categories	*1926*	*1936*	*1946*	*1951*	*1961*	*1971*
			per cent			
A. *The bourgeoisie and petty bourgeoisie:*	(51.7)	(49.5)	(47.8)	(44.6)	(41.3)	(33.7)
(i) Employers	6.6	6.1	6.4	5.1	3.2	3.0
(ii) Self-employed and relatives assisting on substantial property: (farms over 100 acres + ½ of non-agricultural self-employed + relative assisting)	5.4	5.9	5.6	5.8	6.6	6.1
(iii) Self-employed and relatives assisting on middle sized properties: (farms 30-100 acres + ½ non-agricultural self-employed and relatives assisting)	16.4	17.2	17.7	17.7	19.0	16.2
(iv) Self-employed and relatives assisting on marginal properties: (small farmers and relatives assisting on farm ‹30 acres + *self-employed* and assisting relatives in all other agricultural occupations)	23.3	20.3	18.1	16.0	12.5	8.4
B. *The employed middle class:*	(15.8)	(15.8)	(16.9)	(18.9)	(22.7)	(28.0)
(v) Upper middle: "service" class (employed professional and semi-professional occupations, managers and salaried employees)	3.7	4.1	4.7	5.2	7.3	10.3
(vi) Lower "middle class": (intermediate non-manual and other non-manual workers)	12.1	11.7	12.2	13.7	15.4	17.7
C. *The working class:*	(32.5)	(34.9)	(35.3)	(36.4)	(36.0)	(38.4)
(vii) Skilled manual workers (employed)	6.7	7.5	7.7	10.2	12.0	16.5
(viii) Semi-skilled and unskilled manual workers (employed in agricultural and non-agricultural occupations)	25.8	27.4	27.6	26.2	24.0	21.9
	100.0	100.0	100.0	100.0	100.0	100.0
Total number	950,466	974,361	947,888	930,705	820,496	827,966
Agricultural Semi and Unskilled Workers only	(14.1)	(14.0)	(14.1)	(10.9)	(9.3)	(6.3)

*Based on aggregations of census categories and estimation — percentages in brackets are subtotals.

Chapter 3

A CLASS ANALYSIS OF THE DISTRIBUTION OF HOUSEHOLD INCOME

This chapter explores the distribution of income along one of our two main dimensions of income inequality: the vertical inequalities associated with social class. To make the presentation clear, we put aside until the next chapter the possibility that demographic factors relevant to income determination — which we have measured as family cycle — overlap, or interact with, social class. That joint impact is given detailed treatment in Chapter 4 itself.

The emphasis in this chapter is on four aspects of financial well-being that appear likely to vary by class:

(1) the amount of income received by a household from participation in various markets that is available for expenditure;

(2) the composition of that income, particularly the combination of sources on which households depend to generate it and the amount of economic effort required;

(3) the net effect experienced by households from the state's actions in levelling taxation and distributing transfer payments; and,

(4) the viability of households as consumption units, evinced by their expenditure patterns and their styles of life.

In all instances, the data are drawn from the 1973 Household Budget Survey. Changes since 1973 in taxation arrangements and in the provision of transfer payments, especially the introduction of pay-related benefits, are, therefore, not reflected in the comparisons across classes; changes in the value of various market capacities are similarly excluded. The concluding chapter considers how those changes may have affected the class and family cycle differences we have identified.

One further introductory note is required. The 1973 Household Budget Survey includes 7,748 households. Constructing the social class and family cycle measures developed for this study meant that the absence of relevant information or the presence of negative disposable income for a small number

of households — 78 in all — lowers the total sample size to 7,670 for most analyses. Small deviations from that total may, however, be present depending on data availability. The results are adjusted to correct the sample for any distortions to the representation of different types of households — say, by social groups or geographic areas; the weights for doing so are the same as used in all CSO publications based on the 1973 survey, which re-weight the sample to correspond to the results of the 1971 Census of Population. Standard errors, the estimated error in our averages that one can anticipate from sampling fluctuations, can be calculated by the interested readers by the formula, s/N, where s is the standard deviation of the particular average and N the number of households involved. Thus, the smaller the number of households in a category, the less confidence is to be placed on the precise average weekly income found in our table.

Income Levels: Direct and Disposable, Head of Household and Household

Three types of incomes will be considered in this section. The *head of household's direct income* is the weekly amount contributed from all economic participation: wage employment, self-employment, investments, rents, private pensions. A household head may derive income from all or none of these sources. *Household direct income* is the sum of returns from the economic participation of all household members. The difference between the head's and the household's direct income is an index of the extra household "effort" expended to generate a particular level of income for a household. *Disposable income* is the third income variable to be considered. It represents the income available for expenditure, direct income having been supplemented by state transfers and lessened by the payment of direct taxation (income tax and social insurance contributions).

Disposable income is the amount available to be spent, and is, therefore, the basic index of the financial well-being of households, or at least of the size of the regular flow of resources. The accumulation of family property and wealth will be reflected in that flow, but imperfectly: a factor to be considered in the final section of this chapter. Table 3.1 displays the average weekly direct and disposable incomes of the 14 economic class categories and of all households in the sample; the associated standard deviations are included. Information on household disposable income is to the right of the table. The average for the 7,670 households was £36.50, and the category range is from a high of £75, for large proprietors to the low of £24 weekly for marginal farmers. Among employees, the manual/non-manual divide is fairly clear, and within the two employee divisions a clear hierarchy can be seen, as is the case among both farm and non-farm proprietorial households. Generally speaking, the mean to standard deviation ratios are more satisfactory for employees than

Table 3.1: *Average weekly direct and disposable incomes by economic class category: head of household and total household averages**

	Heads of household		*Total households*				
	*Direct income***		*Direct income***		*Disposable income****		
	Average	*Standard deviation*	*Average*	*Standard deviation*	*Average*	*Standard deviation*	*N*
1 Large proprietor	74.9	(71.0)	78.0	(70.0)	74.7	(67.5)	167
2 Small proprietor	31.5	(22.8)	38.5	(25.6)	37.9	(23.5)	305
3 Large farm (100 + acres)	51.3	(43.8)	64.3	(47.5)	65.1	(46.5)	257
4 Medium farm (50 — 100 acres)	35.1	(26.6)	45.7	(31.9)	47.1	(30.4)	388
5 Small farmers (30 — 50 acres)	19.5	(15.6)	29.2	(20.6)	32.0	(19.4)	450
6 Marginal farmers (— 30 acres)	10.1	(11.1)	18.6	(19.5)	24.0	(18.6)	565
7 Higher professions	65.0	(37.3)	73.5	(38.6)	63.0	(34.0)	349
8 Lower professions	40.7	(23.1)	56.6	(32.2)	49.0	(25.8)	284
9 Intermediate non-manual	32.9	(30.4)	46.0	(33.5)	42.4	(28.7)	839
10 Skilled manual	27.0	(18.1)	38.7	(23.6)	36.8	(18.2)	976
11 Service worker	23.2	(16.8)	35.4	(22.6)	34.5	(18.8)	598
12 Semi-skilled manual	21.3	(15.5)	33.1	(22.4)	33.1	(17.8)	668
13 Unskilled manual	12.1	(14.2)	25.0	(24.4)	28.7	(19.8)	1,129
14 Residual	3.0	(8.9)	8.7	(16.8)	14.9	(15.5)	695
E^2	.319		.253		.214		
F	276		199		160		
All households	25.5	(28.6)	36.3	(32.9)	36.5	(28.3)	7,670

*Parentheses contain standard deviations.

***Direct Income* is that arising directly from market participation; in wages or salaries, self employment, profits, investments, rent from property, private retirement pensions, etc. It excludes direct state transfers of all kinds.

****Disposable Income* equals direct income plus all types of state transfers minus direct tax (income tax plus social insurance contributions).

for households in which property is the main income source — it will be recalled from Chapter 1 that expenditure data provide a more reassuring estimate of the homogeneity of property-owning categories' financial well-being. Within category variation can be attributed, in part, to family cycle and the age of the head of household (as will be seen in Chapter 4) and attributable to differences in the demographic composition of the categories — inevitable in a cross-sectional study. The sex of the head of household, regional factors, skill and other labour market differentials, and the industry and size of firms for employees (see Geoghegan and Frain, 1978/79) are other possible causes of variation within a class category.

When we look at direct income the basic pattern of income differentials is again apparent, though the inequalities are shown more starkly. This is to be expected, as direct income is the financial return from one's market capacity, unaffected by state interventions. With direct income the overall level of inequality among categories is greater than was found for disposable income, the divide between manual and non-manual categories is more substantial, and the ranking within each of the four subdivisions (non-farm proprietors, farmers, white collar, and working class) form a still clearer hierarchy of income levels.

The E^2 statistic at the bottom of each column in Table 3.1 provides the basis for measuring the overall inequality present in each type of income. Thus we find that for head of household direct income the E^2 is .32, gradually diminishing for the other "stages" of income determination: .25 for household direct income (reflecting the income earned by other household members), and .21 for disposable income. The E^2 is based on the ratio of the "between group" variance (in this instance, the differences among the categories) to the "within group" variance (the sum of the variation found in each of the 14 categories). It is thus a measure of the amount of income inequality associated with our class categories, treating class as a nominal variable. All three E^2s are statistically significant, but it is evident that the effect of class is more prevalent at the head of household level, and stronger for household direct than for household disposable incomes.

Based on the E^2 statistics, it is evident that the use of extra income earners to augment the head of household's income has the greatest effect in reducing income inequalities rooted in the market. However, this assessment in the case of the class categories is based on the inclusion of the residual category (Class 14). The average income for that category is significantly lower than any other category — the average direct income of the household head is less than one-third of the next lowest, that of marginal farmers — suggesting that it may be exercising a disproportionate effect on both the assessment of inequality and the change from direct to disposable income: the average weekly income

for residual households leaps five-fold from head of household direct to household disposable income. A measure of inequality that excludes the residual is therefore required. The coefficient of variation, in this instance, the standard deviation of the 13 category averages divided by their mean, is a straightforward measure of inequality. Head of household direct, household direct, and household disposable incomes have coefficients of variation of .54, .39, and .34, respectively. The diminution in the class associated inequalities is indeed precipitous as other income sources supplement the head of household's contribution and the state's actions effect re-distribution. Of course, that diminution is "real" only to the extent that additional income earners share their incomes with the full household.

So Table 3.1 draws attention toward two income determination processes that are class-linked and which act to reduce class inequalities. The first is obvious in the dramatic decline of the inequality between class categories when the direct income of other household members is added to that of the household head. The second is partially concealed in the table. If we look at the incomes of all households, we find an average weekly direct income of £36.30 and an average disposable income of £36.50 — no real change. However, the standard deviations for those averages, which are largest relative to the average for direct income, and the measures of inequality — E^2 and the coefficient of variation — indicate a substantial re-distributive effect in class terms. The "improved" mean to standard deviations ratios for the specific categories suggest that within category re-distribution is also occurring, though apparently only for categories of employees.

For the full sample of households, the average household direct income was £36, 42 per cent greater than the average weekly head of household direct income of £26. However, as can be seen in Table 3.1, there were clear distinctions along class lines in the magnitude of that supplement, distinctions which merit more detailed investigation. One basic consistency is that the categories with the highest average incomes, large proprietors and higher professionals, are those in which income earned by others makes the least contribution to total household income. For all other categories, that contribution is obviously important to the household's financial well-being; in some instances it is crucial.

Examined by groups of categories, it is found that the average percentage addition to direct income from additional earners is four per cent for large proprietors and 22 per cent for small proprietors; for farm households the percentage increases for the large, medium, small, and marginal categories are 25, 30, 50, and 84 per cent, respectively. A manual/non-manual divide is evident for categories in which heads of households are primarily wage earners. The percentage addition to direct income from other income earners is 13 per

cent for higher professions, 39 per cent for lower professions, and 40 per cent for intermediate non-manual workers. In contrast, other earners added 43 per cent for skilled manual workers, 53 per cent for service workers, 55 per cent for semi-skilled manual workers, and 107 per cent for unskilled manual workers. Thus, income inequalities among the class categories are considerably reduced through the apparent ability — or the necessity — of working class and marginal property owning households to utilise the labour power of the older children (and presumably reducing their educational opportunities) and/or to have both spouses contributing income. The magnitude of these adjustments to household income and the affinity of the situations of marginal propertied and working class households can serve as a useful base of comparison in evaluating the efficacy of the adjustments effected by state policies.

This pattern of additional economic effort cannot but reduce the overall inequalities among class categories and, as was seen, the coefficient of variation is reduced from .54 to .39, as well as to diminish the differentials among farmers and among the two main groups of employee categories. The differentials remain: large proprietors on average have more than six times the head of household direct income of unskilled manual heads of households; for the total household income, the differential is just above three to one.

In terms of direct returns from market participation, large proprietors and higher professionals stand out as having incomes that, on average, exceed considerably those of other categories. Other basic differences also do not conform to strictly employee/property-owning divide. With the exception of large farmers and large proprietors, the circumstances of property owning groups are not substantially improved over those of the working class; indeed, marginal farmers occupy a position even more precarious than that of unskilled manual workers, despite the latter group's high unemployment levels. The clearest income gradations are found *within* the basic divisions of manual and non-manual workers and among farmers based on size of farm. Among manual workers, where the heads of households are skilled manual workers, the total weekly earnings are on average, £39; their semi-skilled counterparts average £33, and the unskilled £25. An even more pronounced hierarchy exists for farmers. And among non-manual workers, the differentials approximate the degree found among manual workers. Even when household income is the criterion, the importance to income generation of the head of households educational attainment is obvious.

The Components of Household Income

Households were assigned to classes for the purposes of this study on the basis of the employment status and occupation of their chief income earners — heads of household in the Central Statistics Office's terminology. But for

a large proportion of all households — perhaps for the majority — other income earners are present and income sources other than that used to assign households to categories are often being received. Two class categories, marginal farmers and unskilled manual workers, though holding opposing class positions in terms of property ownership, share not only a low income but a common dependence on state transfer payments.

Before proceeding to consideration of re-distributive effects from state policy, it is useful to consider how the diversity and relative importance of household's income sources vary substantially among the class categories. The pattern can be examined in Table 3.2, which distributes the average income for each category among its components (the income variables are those used by the CSO in reports based on the Household Budget Survey). The percentages for each category add up to the total of average *gross* income — direct household income plus the sum of all state transfer payments received.

Diversity of sources is the most obvious differential. Three categories stand out as being far less than typically dependent on one major income source: unskilled manual workers, small farmers, and marginal farmers. (The residual category requires separate discussion as its diversity is predefined.) Medium farmers also evince a greater than average diversity. If the produce grown on the farm and retained for household consumption (treated as income in the Household Budget Survey) is added to self-employment income, it is found that for marginal farmers just under one-half of their income is from farming, 22 per cent from wage employment, and 26 per cent from state transfers. The bulk of unskilled manual workers' incomes is from wage employment (66 per cent), but the remainder is accounted for primarily by self-employment and state transfers. For both categories, no one income source predominates.

A somewhat different situation is found for categories like small proprietor and large proprietor, in which one source accounts for 75 per cent or more of gross income but is supplemented by one or more significant income sources. For small proprietors one other major source is evident: wage income; in the case of large proprietors, investment income accounts for nearly eight per cent of the total, and wage income six per cent.

The presence of investment income is concentrated in three groups: non-agricultural proprietors, white-collar employees, and in the "residual" category. Proprietors have the highest percentage contribution from investments, with large proprietors deriving, on average, nearly eight per cent of their gross incomes from that source, followed by small proprietors with four per cent. The higher profession category, though it has an average income equivalent to large proprietors, takes in a still smaller share — 3.6 per cent — of their incomes from investments. Investment income clearly differentiates non-man-

Table 3.2: *Percentage distribution of gross income by income source: economic class difference*

	Source of income							
	Wages and salaries	*Self-employment income*	*Retirement pensions*	*Investment income*	*Own farm produce*	*Other direct income**	*State transfer payments*	
1 Large proprietor	6.1	81.3	0.3	7.6	1.7	0.5	1.9	100.0
2 Small proprietor	13.6	74.8	0.2	4.1	0.1	1.7	4.7	100.0
3 Large Farmer (100 + acres)	9.4	79.7	0.4	0.7	5.7	1.0	3.0	100.0
4 Medium farmer (50 — 100 acres)	13.5	70.0	0.2	0.9	8.4	1.4	5.5	100.0
5 Small farmer (30 — 50 acres)	16.5	57.6	0.5	1.3	10.6	1.7	11.8	100.0
6 Marginal farmer (— 30 acres)	22.3	35.7	0.5	1.8	10.9	2.9	25.9	100.0
7 Higher profession	81.6	7.1	4.3	3.6	0.1	1.5	1.8	100.0
8 Lower profession	82.9	4.5	5.4	2.4	0.2	2.0	2.7	100.0
9 Intermediate non-manual	84.5	1.0	3.6	2.5	0.1	2.5	5.8	100.0
10 Skilled manual	86.4	1.5	0.9	0.7	0.4	1.4	8.6	100.0
11 Service workers	81.2	3.2	2.6	1.3	0.4	1.7	9.6	100.0
12 Semi-skilled manual	79.6	4.6	1.3	0.7	0.7	1.5	11.7	100.0
13 Unskilled manual	66.4	6.4	1.3	1.0	1.5	2.0	21.5	100.0
14 Residual	9.8	20.3	4.3	6.5	2.9	12.8	43.3	100.0
All households	58.4	22.7	2.0	2.1	2.4	2.1	10.4	100.0

*Includes annuities, trusts and covenants, trade union sick or strike pay, income in kind, and private insurance benefits.

ual from manual employees, non-agricultural proprietors from farmers, and overall indicates the advantaged position of non-agricultural proprietors in financial security.

The reliance on state transfer payments can also be gauged in Table 3.2. There the clearest links are between marginal farm and marginal working class households, with 26 and 22 per cent, respectively, of their gross incomes being attributable to state programmes. Working class households are generally the most heavily reliant upon state transfers to supplement incomes: nine per cent, on average, of the incomes of even skilled manual workers derive from state transfers.

Approximately eight per cent of all households in the sample were included in the residual category: no economic participation by the household head or the spouse of the head of household could be discerned. Most such households are without earned income. As can be seen in Table 3.2 wages and self-employment income constitutes but 30 per cent of their average gross income. State transfers account for another 43 per cent, with investments (6.5 per cent) and other direct income sources representing the remainder. This diversity of income sources partly reflects the heterogeneity of the households in the category, but primarily is a consequence of their lack of market capacity. The residual households have the lowest incomes of all categories, averaging £9 weekly in direct and £15 weekly in disposable income. Their dependence on state transfers is obviously great, as is their financial marginality, even with that support.

For income sources, such as investment, it is of particular importance to know both the percentage of total income that source represents *and* the number of households with income from that source. An average percentage of, say, 7.6, could derive from but a tiny fraction of all proprietorial households with investment incomes or from a uniform six to seven per cent in all such households. Table 3.3 again refers to wage, self-employment, investment, and state transfer income, but indicates the percentage of households in each class category that is in receipt of an income from that source. For state transfers, Children's Allowances, available to all parents of children under age 16, are excluded. The table also indicates the percentage of households in a category in which investment income is greater than 50 per cent of gross income and where state transfers (including Children's Allowance) exceed 30 per cent of gross income.

By definition, all proprietorial households have income from self-employment; a comparable assumption cannot be made about wages for white collar or manual workers, as they may be retired or unemployed or ill and thus not in receipt of a direct income or may be self-employed. One-fifth or more of all property-owning households receive some form of wage or salaries: the vari-

Table 3.3: *The percentage of households with incomes from different sources: economic class differences*

	Percentage of households in class with income from:				*Percentage of households in which income:*	
	Wages and Salaries	*Investments*	*Self-employment*	*State transfers excluding children's allowances*	*Investments >50% of gross income*	*Where state transfer >30% of gross income*
				per cent		
1 Large proprietor	20.8	37.8	97.6	12.2	8.9	1.2
2 Small proprietor	22.9	19.5	100	19.3	1.1	4.8
3 Large farmer (>100)	23.1	19.2	100	20.4	2.1	3.1
4 Medium farmer (50 — 100)	23.6	14.6	100	29.1	—	7.1
5 Small farmer (30 — 50)	21.8	18.5	100	41.6	1.0	18.4
6 Marginal farmer (<30)	23.5	13.7	100	68.7	1.8	49.9
7 Higher profession	87.7	37.9	10.3	10.7	1.6	1.4
8 Lower profession	88.0	24.9	8.5	15.2	0.3	3.0
9 Intermediate non-manual	86.0	23.3	3.3	30.5	1.3	10.5
10 Skilled manual	89.0	11.7	5.7	45.5	—	13.4
11 Service workers	86.4	10.3	6.8	43.7	0.5	15.4
12 Semi-skilled manual	82.2	6.3	10.0	52.9	0.3	18.3
13 Unskilled manual	63.5	8.8	13.9	71.1	—	41.1
14 Residual	7.2	14.8	15.3	84.9	5.2	75.9
All households	58.2	15.8	34.3	47.0	1.5	24.2

ation among such categories is slight. Given that wages amounted to 22 per cent of marginal farmers' average gross income, the very small returns many such farmers are receiving from agriculture is further highlighted. Households in categories primarily reliant on income from employment also frequently receive a supplementary income from self-employment; the proportion of households deriving supplementary income from self-employment ranges from 14 per cent for unskilled manual workers (a category that includes agricultural labourers) to three per cent for intermediate non-manual workers.

The presence of investment income and the reliance on state transfers are distributed among households in ways that are clearly relevant for a class analysis of income inequality. The likelihood that income from investment is being received by households follows, first, from income level — the higher the average income, the greater the percentage of households in a category with investment income. But this is modified by property owning/non-propertied and manual/non-manual divides. The percentage of households with investment incomes varies less among propertied categories (range 38 to 14 per cent) than among categories in which wages are the chief income source (range 38 to six per cent). Though this was not reflected in a greater importance of investment income for property owning households, measured as a proportion of gross incomes (see Table 3.2), there is a clear difference in prevalence reflecting the ability or willingness to save. Among categories of employees, a clear white-collar/working class break is identifiable. This is equally clear in the likelihood of investment income and the importance of that income for a category's gross income.

Recipients of state transfers, even with Children's Allowances excluded, are more numerous than investors. Among the total sample, 16 per cent of households had an income from investments; 47 per cent are receiving state transfers. The range among the categories is from the low of 11 per cent among higher professional households to the 71 per cent among unskilled manual households (the percentage for the residual category is 85). There is little to separate the latter category from marginal farmers, 69 per cent of which received state transfers other than Children's Allowances. The pervasiveness of state interventions is clearly substantial. But that pervasiveness has its converse: the corresponding inadequacy of direct income that leads to situations in which categories are eligible for programmes that are rarely intended for use in situations other than substantial need. The material in Table 3.2 indicates the degree of dependence on such programmes in some categories, and Table 3.1 the limitations to the recipients' financial well-being.

One step further is required if we are to fully appreciate the salience of investments and state transfers for various class categories. The two columns on the right hand side of Table 3.3 give percentages of households in which

investment income exceeds 50 per cent of gross income and the percentages in which state transfers form more than 30 per cent of gross income. In the case of primary dependence on investments, only one category, large proprietors has more than three per cent of its households qualifying: nine per cent of large proprietorial households have, according to their own report, investment incomes that exceed half their total gross income. This is true of only 1.6 per cent of the higher profession households.

The less stringent condition for state transfers — a 30 per cent share — yields more diversity. One-half of marginal farm households and 41 per cent of unskilled manual households meet that condition, as do more than three-quarters of the residual category. The dependence on the state of all working class households is evident; of skilled manual households, 13 per cent rely on the state to that degree. But that reliance is widespread: more than one out of ten households in eight categories could be described as relying on the state for 30 per cent or more of gross income; nearly one-quarter of all households in the full sample did so. The prevalence of dependence on state transfers follows income levels within each grouping of categories we have used. But there is also an affinity among proprietors, large and medium farmers, and professionals in which they stand less affected than other categories by the role of the state as a provider of income support. Still, the strongest link is clearly that between marginal farm proprietors and the marginal working class — their dependency unites them, despite their markedly different social class positions.

On the basis of the evidence thus far, the two chief criteria — property ownership and the type of qualifications and/or skills that are being exchanged for income — differentiate strongly among households in terms of their actual income and the weight of dependence placed on various income sources.

Ambiguities in our categorisation were also highlighted. Specifically, the affinity of the financial circumstances of marginal working class and marginal property owning households and the income of intermediate non-manual workers are problematic in terms of our perspective. The similarity in life chances of marginal property owners and the more marginal of the manual working class categories weakens the clarity of the propertied/non-propertied divide. This emerges in the level of income available to the households, a common dependence on state transfer payments to supplement that level, and, to a lesser extent, in the lack of a primary income source able to support the household.

This similarity in life chances is a clear warning against attempts to apply in Ireland frameworks for class analysis devised to fit societies at a more advanced stage of capitalist development. Moreover, such an application cannot be justified on an assumption that Ireland is progressing along a route

already taken by, say, Britain or France. The nature of capitalist development in Ireland has left stranded a variety of residual classes, both of proprietors and employees, that remain, however marginal, important both in numbers and to the economy.

The category intermediate non-manual workers also offers some contradictions. Their incomes are higher than any manual category and their profile of income sources is similar to that typical of the professions. But in their relationship to the state lower white-collar households fall somewhere midway between the patterns for the professions and for the working class. Perhaps this reflects the diversity of households within that category — partly attributable to the large proportion of female heads of households — which is evident from the substantial standard deviations for the mean income figures. In any case, the clarity of the manual/non-manual distinction is obscured somewhat by the prevalence of state transfers in intermediate non-manual households, a prevalence well beyond that typical of professional households.

These ambiguities do not, however, obscure the symmetry with which income levels are distributed among the class categories. But a more detailed look at the re-distributive impact of the state and an examination of consumption patterns may challenge, or amend, that conclusion.

Relationship to the State: Re-distribution and Class

The state's re-distributive responsibilities expanded dramatically over recent decades in most capitalist societies. Ireland is no exception. The salience of state transfers as income for many families and the breadth of the social welfare's system coverage emerge as major features of income determination in Ireland during 1973. The consequences extend beyond the level of the individual household or even the class category: by 1973 the net effect of the system by which the state raises revenue from taxation and distributes transfer payments had become a new focus for political debate, an instrument of party electoral strategy. The consequences had become politically visible, as calculated for specific types of households and for society as a whole.

That re-distribution operates in a manner that has manifestations in class terms is apparent from the preceding analysis of income. The relationship of a household to the state appears to vary by class—as shown most clearly in the contrast that was made between average direct and disposable household incomes. Some categories appeared to remain effectively untaxed while benefiting from state income maintenance schemes. In other categories an apparent equivalence between inflows and outflows establishes a balance, and still other categories are, on average, net contributors to the state's revenues.

It is evident to us, given our perspective, that re-distribution operates along class lines. But a more intriguing possibility can be considered. It is possible

that re-distribution is not merely following the course mandated by class divisions; perhaps in levelling tax and distributing transfers the state is unintentionally or intentionally shaping class boundaries, and, once formed, perpetuating them. It is a possibility to which we will return.

First, however, we need to examine in more detail the distribution among our class categories of the tax burden and the benefits of state transfers. It is a common assumption that one's employment status is a strong indicator of the amount of direct taxation one pays. It is indeed. In the *1973 Household Budget Survey* the average weekly direct tax payment was £4.10; but this is derived from component averages of £4.95 for employees, £1.54 for the self-employed, and £2.85 for employers (self-employed and employers include farmers). The purpose of this section of Chapter 3 is to carry out such a disaggregation for the 14 class categories, supplemented by consideration of the average state transfers received.

Table 3.4 provides the basic information, consisting of the average amounts

Table 3.4: *The effects of state transfers and taxes on economic class categories: average receipts and payments (£)*

	Total direct transfers	*Total direct tax*	*Net effect*	*Percentage of households paying direct tax*
				per cent
1 Large proprietors	+1.55	−4.83	−3.28	47.8
2 Small proprietors	+1.90	−2.50	−0.60	41.1
3 Large farmers	+2.02	−1.18	+0.84	21.8
4 Medium farmers	+2.66	−1.27	+1.39	19.8
5 Small farmers	+3.93	−1.13	+2.80	19.0
6 Marginal farmers	+6.52	−1.13	+5.39	18.1
7 Higher professions	+1.34	−11.81	−10.47	91.8
8 Lower professions	+1.57	−9.20	−7.63	85.3
9 Intermediate non-manual	+2.83	−6.50	−3.67	85.1
10 Skilled manual	+3.64	−5.49	−1.85	78.2
11 Service workers	+3.76	−4.61	−0.85	70.4
12 Semi-skilled manual	+4.39	−4.34	+0.05	68.0
13 Unskilled manual	+6.82	−3.09	+3.73	45.6
14 Residual	+6.65	−0.44	+6.21	9.0
All households	+4.20	−3.98	+0.22	52.4

paid by households in taxation, the average amounts received in the form of state transfers, and the net effect expressed in pounds, of tax and transfers on household direct income. Cautions on the likely problems of estimate reliability for such data have already been introduced. But whatever their reliability all of the estimates shown for the amount of taxation paid and state transfer payments received reflect *direct* financial transactions made by the households. Indirect taxation paid in VAT, excise taxes, and custom duties is not included, and household incomes have not been adjusted to account for indirect transfers

accruing from subsidies to education, health, or housing. In the 1973/74 financial year, government receipts from income tax and social insurance contributions, the two forms of direct taxation, amounted to £303 million while taxation on expenditure (indirect tax) yielded £488 million. For the same period, direct social welfare payments to households totalled £220 million and indirect subsidies to education, health, and housing (limited for housing to state and local authority grants and subsidies) summed to £293 million (*National Income and Expenditure,* 1978; NESC, No. 23, 1977).

The differences among the categories nevertheless emerge quite clearly. It can be seen, for example, that the average household headed by a higher professional pays nearly £12 weekly in direct tax and receive weekly £1.34 in direct state transfers. Contrast that with the situation of unskilled manual workers, who on average pay £3 in tax and receive nearly £7 from transfers. The "average" household, as pictured in the total sample averages, balances receipts and outlays, but analysis by class categories reveals several patterns of relationship to the state. For most working class categories, the substantial average inflows from transfers are typically cancelled by even more substantial or equivalent payments of direct taxation. Skilled manual workers receive, on average, £3.64 from transfers and pay an average of £5.49 in taxes. This is in contrast to farmers, for whom transfers, on average, exceed tax; white-collar households, all three categories of which are very substantial net contributors to the exchequer, are also distinctive.

The magnitude of the differences only becomes clear when the payments made and received by each category are considered in relation to the average direct household income being adjusted. The average direct tax paid by households of unskilled manual workers is not much lower than that paid by large proprietors, and the amount paid by skilled manual workers is, on average, greater than that paid by large proprietors or large farmers. Expressed as a percentage of household direct income, state taxation and transfers combine to reduce income by 4.2 per cent for large proprietors, 1.6 per cent for small proprietors, 14.2 per cent for higher professionals, 13.5 per cent for the lower professions, 8.5 per cent for intermediate non-manual workers, 4.7 per cent for skilled manual workers, and 2.4 per cent for service workers. Five categories experience a net increase (semi-skilled manual workers gain and lose to an identical degree): large farmers by 1.4 per cent, medium farmers by 3.0 per cent, small farmers by 9.6 per cent, marginal farmers by 29.2 per cent, and unskilled manual workers by 15.3 per cent.

Obviously, though the level of income inequality is lower if measured at disposable rather than direct income, reflecting re-distribution, the reduction is not occurring through a consistent transfer of resources from the highest to the lowest income earners. Direct re-distribution apparently occurs only

within the employee categories. Large farmers, with average disposable incomes equivalent to those of higher professionals, are net beneficiaries of the prevailing state policies, and large proprietors experience only a slight decrease in disposable income from the tax system.

Differentiation on the basis of state interventions stems from a category's market situation. All employees are potentially subject to income tax through the PAYE system; employers and property owners generally, have available to them a number of advantages and strategies that facilitate avoidance or minimisation of state direct taxation. At the same time, the state's welfare system goes some way towards providing income support in the form of benefits ranging from unemployment benefits to old age pensions for those who leave or are excluded from the workforce, who have incomes below a given level, or who fall within particular occupational groups. Such differences among the categories are reflected in the percentage of households participating as contributors in the form of taxation and as recipients of state transfers, and in the size of outflows and inflows.

When expressed in proportionate terms, white-collar category employees appear to be the only consistent source of revenue for re-distribution, as those are the only categories to experience a sizeable decrease in available income from taxation. The impact of the state in reducing class-based income inequalities is highly fragmented — and highly discriminatory. There appears to be a consistent and significant bias in the tax system favouring property owners.

Just how fragmented this impact is, can be seen in the right-hand column of Table 3.4, which gives the percentages of households in a category that in 1973 were paying direct taxation. Overall, 52 per cent of households were in the tax "net", but the percentage for categories ranged from nine per cent in the residual to 92 per cent for higher professional households. Low percentages can reflect either a lack of income — as for the residual — or an advantage available based on type of market capacity. If considered in the context of average direct household incomes, the obvious advantage of households deriving income primarily from property is clear. Their limited representation as taxpayers puts even small farmers at an advantage compared to semi-skilled manual workers in that their transfers are not counterbalanced to any real extent by taxation. Of large proprietors, 48 per cent were paying direct tax and of large farmers, 22 per cent; this contrasts with the 85 per cent of intermediate non-manual workers and the 78 per cent of skilled manual workers who were paying direct tax, as were 46 per cent of unskilled manual workers.

Information on tax system coverage complements that already shown (see Table 3.4) on the percentage of households in the categories that were receiving

state transfers other than Children's Allowances. For unskilled manual workers and marginal farmers, that coverage was nearly identical: 71 and 69 per cent, respectively. While a substantial proportion of intermediate non-manual households were in receipt of state transfers, the implication is quite different than for property owning households, who also pay little tax.

Thus far, we have considered direct transfer schemes. The Medical Card scheme offers an opportunity to examine, however incompletely, the distribution of indirect state subsidies, programmes which have a clear re-distributive role. In the determination of eligibility, the scheme also offers another index of financial well-being. Medical cards are available to individuals who are "unable without undue hardship, to afford general practitioner services for themselves and their dependants" (*Relate,* Vol. I, No. 2). Eligibility is at the discretion of each Health Board's Chief Executive Officer, and once established entitles the individual to free comprehensive health care. Income *guidelines* are available, however, to assist in defining eligibility; the limit obtaining between May, 1972 and March, 1973, for all Health Boards except the Midland Health Board was an income of £16 weekly, with an additional £1.00 allowed for each dependent child. (However, all students in full-time education and aged 16 or over are automatically eligible.)

Table 3.5 provides the percentage of households in each category which

Table 3.5: *The percentage of households in economic class categories with medical cards*

	Percentage of households with medical card
Large proprietor	2.2
Small proprietor	10.5
Larger farmer	8.9
Medium farmer	12.5
Small farmer	39.2
Marginal farmer	68.5
Higher professions	0.5
Lower professions	3.0
Intermediate non-manual	12.1
Skilled manual	24.5
Service workers	29.0
Semi-skilled manual	37.2
Unskilled manual	60.6
Residual	66.2
All households	33.7

include a medical card holder. The highest percentage is for marginal farm households (69 per cent), followed by the residual (66 per cent) and unskilled manual workers (61 per cent): 34 per cent of all households were in possession of a medical card. These percentages highlight once again the precariousness of the situation of many working class households, and do so more clearly than the data on income levels would suggest. The division within property owning categories is also pronounced: the market capacity of marginal and small farmers necessitates a substantial dependence on the state for income maintenance and services.

Combining the information on the relationship of households to the state, a five-fold division among the categories seems operative:

1 The situation of the marginal working class (the unskilled manual category), marginal farmers, and the residual category in relation to the state's income maintenance and tax programmes is quite similar. These categories share a high level of dependence on the state as a source of income and make minimal contributions from taxation. Market participation is not a sufficient or even the main income source for such households.

2 Large proprietors are equally distinctive at the opposite extreme. Their returns from property ownership are substantial and they enjoy a relative freedom from the state's taxation function. Small proprietors parallel this advantage, but with distinctly lower returns.

3 The employed or self-employed middle class — the professions and intermediate non-manual workers — who are dependent primarily on wage/salary income, have a minimal reliance on the state for support, and are substantial contributors to the tax system.

4 Large and medium farmers who, like the white-collar middle class categories, have a market capacity that yields a substantial income, but who on balance tend to be beneficiaries of, rather than net contributors to, the state.

5 The "higher" working class categories (skilled, semi-skilled and service workers), for whom wage employment provides the bulk of income. But at the same time those categories have a high dependence on the state, relative to other categories of employees, that essentially counterbalances what is paid in direct taxation (though the receiving and contributing households need not be the same, as will be seen in Chapter 4).

The total effect from state interventions is to reduce inequalities among the categories. But this is not accomplished through a direct transfer of resources

from the top to the bottom of the income hierarchy. Large proprietors, the category with the highest income, pay on average less direct tax than do semi-skilled manual workers. Re-distribution across categories is, primarily, from the more advantaged categories of employees to the marginal working class and to the most marginal of farm households. Basically, however, property owning households are not seriously affected by taxation while benefiting from state transfers.

The Household as a Consumption Unit: Expenditure and Life Style Patterns

This section uses data on expenditure and household possessions to examine indices of household well-being. In part, these are indicators of the adequacy of income — the level of material goods that it provides. But differences among categories in expenditure, current and past, also reflect differences in the availability of savings, the amount of discretionary income remaining once necessities have been purchased, and choices of life style.

Past expenditure as represented in household tenure, goods, and amenities is shown in Table 3.6 along with a number of other indicators, such as whether the head of household has a bank account. The differentiation among the 14 categories for such variables is basically consistent with current income, as shown in the advantaged situation of large proprietors and higher professional households, though exceptions can be found. One basic exception is in housing type, which does not correlate fully with income levels. More than 90 per cent of farm households live in a house owned outright; the lowest percentage of farm households living in privately owned housing is the 96 per cent found for marginal farmers. The house is simply a concomitant of the economic resource. Indeed, proprietors generally are more likely than other categories to live in a house owned outright. The observation may be commonplace, but the consequences are important for a study of inequality; both currently and in the future, such categories are at an advantage in terms of the reduced demand for expenditure on housing and the potential sale value of the house. It may be unlikely that the actual sale value will ever be realised, as unlikely as that the economic resource itself will be sold, but it is an advantage that can be inherited by the household's next generation as well as a benefit to the current occupants. Certainly the difference needs to be highlighted in any comparison of the circumstances of, say, unskilled manual workers and marginal farmers. Had the imputed rent to owner occupier been assigned as income the overall level of inequality would have increased and the situation of working class households would have emerged as relatively more marginal.

However, in other respects, such as car ownership and the availability of appliances, marginal farmers and unskilled manual workers represent one extreme and large proprietors and higher professionals the other. For example,

Table 3.6: *Percentage of households in economic class categories with selected housing characteristics and household facilities*

	Percentage of households with:									
	*Privately owned housing**	*Home owned outright*	*Fridge*	*Washing machine*	*Deep freeze*	*Full central heating*	*Car*	*TV*	*Telephone*	*Bank account*
	per cent									
1 Large proprietor	92.5	73.3	82.1	75.3	19.4	38.5	92.9	93.5	73.0	88.9
2 Small proprietor	83.4	62 .1	68.8	58.3	5.9	18.7	75.5	86.8	47.8	64.7
3 Large farmer (>100)	99.5	96.1	55.5	64.8	16.5	8.4	86.8	80.5	30.2	70.7
4 Medium farmer (50 — 100)	99.4	96.9	45.4	50.3	9.5	6.4	75.2	75.2	14.4	53.2
5 Small farmer (30 — 50)	99.6	96.8	34.1	34.2	2.0	2.7	50.3	62.8	5.5	33.0
6 Marginal farmer (<30)	96.1	90.7	21.1	16.0	0.4	0.6	28.5	49.3	2.2	11.7
7 Higher professional	85.9	30.2	93.9	80.4	14.2	44.7	91.8	93.4	76.4	89.4
8 Lower professional	67.7	34.3	77.4	61.7	4.7	27.8	78.6	85.8	49.8	70.3
9 Intermediate non-manual	67.6	27.2	74.6	56.1	3.2	24.6	63.2	88.9	41.2	53.6
10 Skilled manual	59.3	26.7	65.9	52.6	1.1	9.9	52.3	92.1	12.8	21.8
11 Service worker	54.0	24.0	60.8	48.1	0.7	7.6	40.2	87.9	13.6	19.3
12 Semi-skilled manual	53.8	25.8	58.2	46.3	0.1	5.8	46.1	90.0	8.9	14.6
13 Unskilled manual	58.1	37.0	37.5	30.6	0.4	2.3	29.3	74.5	3.1	6.7
14 Residual	61.4	49.6	30.0	18.5	0.4	3.4	14.1	62.0	12.9	13.1
All households	70.9	47.6	54.0	44.6	3.3	11.1	50.2	79.4	20.6	32.6

*Including local authority mortgage

75 per cent of large proprietor households own washing machines and 39 per cent have full central heating; the comparable ownership rates for higher professionals are 80 per cent and 45 per cent. Of the numerous other comparisons that can be made, it is worth drawing attention to the 29 per cent of both marginal farm and unskilled manual workers' households that own cars. Since the latter category includes agricultural labourers, an urban/rural dimension may obscure such comparisons; that dimension may also explain why the closest link among the upper income categories is between large proprietors and higher professionals, and not of either to large farmers who, after all, have the second largest average disposable income (but then the large proprietor category includes some farm households).

On balance, though the link is not as straightforward as might appear initially, income is the dominant factor in consumption. But the ability to build up a stock of household goods is clearly affected by class boundaries, which heighten the differences attributable to income. The likelihood of a telephone (which is rented) being found in a home is greater in middle class white-collar households than the income differentials would suggest. So is the likelihood of car ownership or central heating (though here housing type intervenes in the comparisons); and the prevalence of bank accounts in categories of employees clearly follows a manual/non-manual distinction — such accounts are held by 54 per cent of intermediate non-manual households and 22 per cent of skilled manual households.

Such differences affect the ability to save and to accumulate a stock of consumer durables and a house that can be used in retirement. Property ownership confers advantages in this accumulation that often belie income levels — as manifest, for example, in the situation of small proprietors — while white-collar households are more favourably placed than are working class families.

Thus, the material on style of life reiterates much of what was found from the study of income levels and offers some emendations. Two patterns of influence are present: first, the quality of resources, whether skills, credentials, or property, imposes a hierarchy, and establishes links between categories such as large proprietor and higher professional; second, structural limitations intervene in a manner that exacerbates certain differences, and these correspond to the basic divisions between propertied and non-propertied households and manual and non-manual households. Both processes need to be considered.

An inability to save and difficulty in accumulating household goods will be represented in the pattern of current expenditure: discretionary income will be limited. Table 3.7 examines the distribution of expenditure for the sample households over the same time-period as the income data. Eight consumption

Table 3.7: *Average expenditure on selected consumption categories: economic class comparisons*

	Food	*Alcohol*	*Tobacco*	*Clothing*	*Housing*	*Transport*	*Household durable goods*	*Education & medical insurance*	*Other*	*Total expenditure (in £s)*		*N*
						per cent				£	*per cent*	
1 Large proprietor	28.3	4.3	2.4	10.4	9.4	13.8	4.6	10.5	16.3	66.42	100.0	167
2 Small proprietor	29.9	4.3	3.4	9.7	11.8	18.2	4.4	5.8	12.5	49.95	100.0	305
3 Large farmer	35.2	4.3	4.0	13.4	6.7	16.0	4.4	5.2	10.8	48.35	100.0	257
4 Medium farmer	37.9	3.8	3.9	13.4	6.8	11.6	7.4	4.4	10.8	41.48	100.0	388
5 Small farmer	40.0	4.5	5.0	14.9	7.0	11.4	4.4	2.2	10.6	34.08	100.0	450
6 Marginal farmer	43.3	3.9	6.6	14.9	7.1	9.5	3.3	1.7	9.7	26.68	100.0	565
7 Higher profession	27.7	3.5	2.1	7.9	14.9	14.6	6.7	10.7	11.9	71.04	100.0	349
8 Lower profession	23.6	3.5	2.5	8.7	12.3	15.6	5.8	10.7	17.3	56.03	100.0	284
9 Intermediate non-manual	27.0	3.9	3.0	10.0	15.1	12.7	4.8	7.7	15.8	49.97	100.0	839
10 Skilled manual	31.3	5.5	5.2	10.1	12.9	11.0	4.8	5.1	14.1	45.62	100.0	976
11 Service workers	31.4	5.2	5.2	10.6	13.9	10.4	4.3	5.8	13.2	42.99	100.0	598
12 Semi-skilled manual	34.3	5.7	6.1	10.0	12.0	10.2	4.2	4.5	13.0	39.71	100.0	668
13 Unskilled manual	36.0	5.5	6.9	11.3	10.9	9.3	4.2	3.1	13.1	33.94	100.0	1,129
14 Residual	38.4	2.6	3.9	9.3	18.2	6.7	3.9	3.6	13.4	17.14	100.0	695
All households	32.1	4.6	4.5	10.7	12.0	11.9	4.8	5.7	14.7	41.05	100.0	7,670

categories are included. Of these, food, clothing, and housing can be treated as "essentials" indexing a household's viability as a consumption unit. The most obvious criterion for evaluating viability is the proportion of expenditure that must be devoted to obtaining food. With 43 per cent of expenditure being devoted to providing food, marginal farm households will have little discretion in making other purchases — food, clothing, and shelter combined account for nearly two-thirds of the average £27 spent weekly by such households. Were it not for the relatively low costs of housing for farm households (housing costs here include fuel), their situation would be still more distinctive — and precarious. In working class categories food accounts for between 31 and 36 per cent of expenditure, contrasting with the 24 to 28 per cent for white-collar households, while food, clothing and shelter combined require 58 per cent of expenditure for unskilled manual workers and 52 per cent for intermediate non-manual workers.

The expenditure patterns of white-collar households are consistent for the most part, only weakly reflecting the income differentials that are present; the same is true among working class households, with the exception of the unskilled manual category. The main difference, given the variation in total expenditure, will be in the quality and quantity of what is purchased. Perhaps the best discriminator expenditure variable is also unfortunately the least homogeneous: large proprietors and professionals have markedly higher than typical percentage expenditures on educational, medical, and insurance services.

The other obvious discriminating variable is combination of expenditure on alcohol and tobacco. The CSO advises that expenditure on alcohol is typically understated, but in the absence of evidence that the understatement operates in a manner linked to class, the combined percentage for the two items can be taken as meaningful. In all four working class categories alcohol and tobacco account for 10 to 12 per cent of total expenditure; this contrasts with the six to seven per cent found in white-collar and in proprietorial households.

Data on expenditure patterns are relevant here primarily for what they can indicate about the meaning of low incomes: the problem of satisfying basic consumption requirements and the resulting constraint on expenditure for non-essentials. The ability of some categories to build up a store of consumer durables, and the inability of others to do more than meet the costs of food, clothing, shelter, and other necessities, came to have profound consequences in the years of rapid inflation that followed 1973. Those in possession of washing machines, cars, and similar goods, purchased out of discretionary expenditure, were insulated against some, though of course not all, the effects of rising costs. The real value of their purchases increased as inflation pushed up the expenses borne by those who were forced to rent the services of public

transportation, commercial laundries, taxis, and the like.

The data also highlight some basic lifestyle patterns that appear to be more strongly related to social class than to the total amount which is spent. The three white-collar categories share a pattern of consumption behaviour that belies the diversity in the average expenditure: the averages range from £50 to £71 weekly. Proprietorial households, with the exception of spending on "education, medical care, and insurance" distribute their total expenditure in a similar manner, again despite a substantial difference in the amounts involved.

Conclusion

This chapter has examined the income differentials associated with our 14 class categories. For the most part, the aspects of household income that were examined did manifest a pattern of category averages that is explicable in class terms. There were, however, some anomalies that challenge the meaningfulness of the boundaries we have adopted, and most class categories had considerable internal variation.

The consistencies will be dealt with first in this concluding section. The income data examined pertain to the level of income, the composition of that income, the role of the state in adjusting incomes, and the use made of that income through expenditure. Of these, the actual level of income, though distributed among the categories in accord with the command over market capacity, proved the least interesting finding. The more interesting class differences were found in the processes by which a level of household disposable income was attained. Categories differed in the degree of effort required, on average, to produce their incomes, and in the nature of the interventions made by the state through taxation and transfers. Differentiation according to the amount of effort, as measured by the supplements other income earners made to the household head's direct income, was particularly strong. Professionals, proprietors, and large and medium farmers were considerably less reliant than other categories on such supplements. Those supplements, therefore, markedly reduce the amount of inequality between categories attributable to market capacity, and do so to a degree unmatched by state interventions. However, marginal and small farmers, as well as unskilled manual workers evinced high levels of dependence on state transfers — as, of course, did the residual category. Such dependence was one pattern of diversification of income sources. The size and the prevalence of investment incomes proved nearly as decisive a criterion in identifying households with a diversity associated with prosperity, thus highlighting the affinity of higher professionals and large proprietors in their financial well-being. But the data on investment income also highlighted the overall propertied/non-propertied division, as the varia-

tion was less among the former than among the latter group of categories.

The distinctive situation of property-owning households emerged quite clearly in their susceptibility to direct taxation. However much unskilled manual and working class categories generally had in common with marginal or small farmers as transfer recipients, property owners generally lack a counterbalancing tax burden, and thus emerge the greater net beneficiaries.

The overall pattern of re-distribution does reduce income inequalities, but it appears that the contributing households are concentrated among the white-collar middle class categories; most farm and non-farm proprietors are little affected by the state's interventions.

Taken together, the data on income level, composition, state interventions, and expenditure emphasise the role of resource levels, with the nature of the resource — property or qualifications — introducing variations rather than determining the distribution of income. The one main exception to this generalisation, and it is an important exception indeed, is the relationship of households to the state. Property owning households were less likely to be direct taxpayers than employees and, on average, paid a smaller amount of tax: semi-skilled manual workers paid, on average, more in direct taxation weekly than did large proprietors. When that is translated into the proportionate contribution a category makes from its direct income to direct taxation the difference between the situation of property owners and the non-propertied households is obvious.

There were two main anomalies to the patterns anticipated in Chapter 1. The first is the affinity found between the more marginal property-owning and the more marginal working class categories. Their different relationships to the state do not obscure the basic symmetry in their life chances.

The situation of the intermediate non-manual category is also ambiguous. In most respects, it fits as a "junior" white-collar category, enjoying a higher average income than manual worker categories, and evincing greater similarity to the professions in terms of their relationship to the state and similar "style of life" expenditure patterns. Yet intermediate non-manual workers lack the diversity of income sources — especially the availability of an income from investments — that typifies the professional categories.

Finally, though the manual/non-manual divide proved a strong discriminator for most income variables, the situation of service workers is anomalous. In our categorisation, service workers are distinguished from semi-skilled manual workers, to whom they are usually afforded a rough equivalence in market capacity. The traditional rationale for that distinction is based on their respective roles in the process of production: manual workers produce or transform material objects, while service workers are engaged in transporting, marketing, or servicing goods already created. Both categories lack a super-

visory role and work with objects, as opposed to the typical non-manual situation of belonging to a supervisory hierarchy and being engaged in "mental" labour. That difference is apparently stronger, at least in terms of income levels and income composition, than any rigid adherence to a definition of manual work for membership of the working class. The possibility that service workers possess more favourable work conditions or job security than is typical of manual workers lies outside the terms of reference for this study.

Chapter 4

FAMILY CYCLE AND INCOME INEQUALITY

The consideration of income inequality was confined in the preceding chapter to a single dimension: the vertical inequalities associated with social class. That narrow focus is justified, in our opinion, on the basis of the clarity it lent to the presentation. But such a limited vision will necessarily incur a cost, and for our purposes that is the neglect thus far of demographic factors and, most importantly, of family cycle, which also affects the distribution of income. Chapter 4 seeks to rectify this imbalance by shifting the focus to family cycle, the horizontal dimension to income inequality in Ireland, and thus to those changes in household circumstances and needs that are experienced by all families. There are obvious limitations to studying such changes in a cross-sectional study, and these will be discussed in due course.

A shift of focus to family cycle does not mean a down-grading of the importance of class. It was argued in Chapter 1 that social class and family cycle are likely to interact in their effect on household income; that is, a particular class may well prove to have a distinctive pattern of family cycle income changes. The identifiability and the nature of such distinctive patterns will be considered in the third section of this chapter, preceded by sections describing the stages in the family cycle and the distribution of income across those stages. In the third section, we will elaborate on the comparisons between class categories that have already been made. Stated formally, it is possible that family cycle differences may be connected with both some of the variance found *within* the class categories and some of the variations *between* categories that in the last chapter appeared as class differences.

The possibility of demographic influences on income was clear in the last chapter from the variation present within class categories. Since this study is based on a survey of all households, our sample, and thus each class category, contains households headed by individuals that will range in age from 18 to 85; for some categories the household head may be retired, unemployed, or looking for their first employment, and may be working full-time or part-time. Such systematic differences among households will be reflected in clear income differentials; the importance of additional income earners for household income, for example, was found in Chapter 3 to be considerable, and the

availability of such supplementary income sources will vary with the family cycle.

Demographic variables may also be responsible for part of the observed differences among classes in average income. Certainly some of the variation in average incomes that we found may well reflect differences in the demographic compositions of our categories rather than differences in market capacity; if so, we may have misinterpreted such differences as being attributable to class factors. By examining the demographic features of households in the various class categories and examining each class's family cycle income profile, we should both learn more about class differences *per se* and about the extent to which the two variables interact.

The Stages of the Cycle

A detailed discussion of the concept of family cycle and the specific measure we have adopted was given in Chapter 1. Before proceeding to the analysis of income levels and income sources by stages of the cycle, however, that discussion will be expanded to include consideration of the demographic changes associated with our family cycle stages and particularly how movement through the cycle corresponds with head of household age and adult equivalence scales, the two most common bases for expressing systematic changes in the relationship of consumption needs to income levels.

Table 4.1 contains the basic demographic information, expanding what was already shown in Table 1.2 from Chapter 1. Eight variables are included, the most important being the age of the household head, the number of dependent children present, and the number of income earners. Inspection of the changes in such variables across the family cycle can be formalised by use of the eta squared statistic (E^2), an indication of the proportion of variation attributable to family cycle stages, which is shown in the last column on the right.

The family cycle changes are curvilinear in most instances, with the middle stages representing the "peak", especially for indices of household size and composition. Such curvilinearity is also present for the relationship of income to age of head of household, perhaps the most widely used measure of life cycle changes found in the literature on income distribution. As can be seen in Table 4.1, the relationship of age to family cycle stage is not straightforward, though the two variables correlate at .73. This is a more important consideration for a study in Ireland than in many countries; the variation present here in age of marriage, the age at which childbearing is completed, and the spacing of births (see Walsh, 1968) is extraordinary by western standards. Unless there is a standard age at which basic changes in family circumstances occur, the age of a household head will be an unreliable reflection of the consumption needs and income possibilities that are present.

Table 4.1: *Demographic characteristics of households by family cycle stage*

	Family cycle stage										
	1	*2*	*3*	*4*	*5*	*6*	*7*	*8*	*9*	*10*	E^2
1 Av. age of HOH and (standard deviation)	28.3 (6.3)	35.3 (11.7)	36.0 (11.6)	41.6 (10.0)	47.8 (8.4)	53.8 (8.0)	59.2 (7.2)	68.6 (9.1)	66.5 (9.2)	60.5 (11.4)	61%
2 Av. no. of persons in household	2.1	2.3	4.2	6.9	6.1	5.0	3.8	2.8	1.7	1.7	62%
3 Av. no of child (<15) in household	0.1	0.1	1.9	4.4	3.2	1.6	—	—	—	0.1	70%
4 Av. no. of "equivalent adult units"*	1.1	1.1	1.6	2.4	2.4	2.3	1.9	1.4	0.9	0.9	51%
5 Av. no. of persons in employment	1.6	1.3	1.1	1.2	1.5	1.9	2.0	1.4	0.5	0.8	28%
6 Ratio of 5/2	.76	.57	.26	.17	.25	.38	.53	.50	.29	.47	n.a.
7 Percentage of HOHs who are female**	.49	3	5	4	7	11	17	42	33	37	15%
8 Ratio of DI of HOH to DHI	.78	.82	.91	.88	.82	.72	.55	.44	.94	.84	n.a.
Total nos. at each stage	253	199	806	1,428	680	841	591	647	1,287	862	7,621

*Adult Equivalents: 2 adults (man and wife) = 1.0; each additional adult = .50; child less than 14 = .25; an adult = .60.

**DI = "Direct Income", DHI = Direct Income of Total Household; HOH = Head of Household

Key to Stages: 1. Young single; 2. Young married; 3. Family formation; 4. Middle child-rearing; 5. Complete; 6. Early dispersal; 7. Dispersal; 8. Two-generation adult; 9. Empty nest; 10. Old single.

The number of adults and children within households vary quite systematically over the cycle, with the largest number present at Stages 4 and 5 — the middle child-bearing stages of the cycle — and the smallest numbers at the beginning and the end. By Stage 4 child-bearing is, by and large, complete, though most of the children present will be very young, and only in a small proportion of cases will older children have begun to work and thus to contribute income to the household. The level of dependency, therefore, is greatest at these stages, with the overall level of dependency, as indicated by the ratio of workers to all persons maximised at Stage 4. That level is minimised at Stages 1 and 2, where households are mainly composed of young working adults without child dependants. It is also low at Stage 7, where the chief income-provider has been joined at work by adult children. Indeed, at this late dispersal stage of the cycle the household appears to have the strongest economic "muscle", (i.e., at Stages 6 and 7) or power (see Geary, 1954) with the largest number of earners and a declining number of dependants.

Stages 8, 9 and 10 pose some problem to the generally even trend in household characteristics: Stage 8 — where older children are still present in the household — has the oldest household heads and the highest proportion of female household heads and a disproportionately low dependence on the head's earning capacity. It appears that we have concentrated into this category older widows whose older children are still resident or have remained specifically to support her. Stage 9, on the other hand, is appropriately termed the "Empty Nest" stage.

At the young single stage a household will be as likely to be headed by a female as by a male. It is the stage at which all household members tend to be in their 20s, with few parental or even familial responsibilities — a period of relative prosperity. Stages 7 and 8, however, appear to be almost equally as advantaged as Stages 1 and 2 with an equally favourable adult demographic balance in the household and a reduced dependence on the household head's earnings. Adult children indeed appear to be more important at Stage 8; however, this is presumably due to the death of the chief provider.

Although there are some interesting socio-demographic differences between Stage 9 and 10 households, both are headed by individuals of the same average age, have over a third female-headed households, have the smallest number of household members in full-time employment, along with the smallest household sizes of all categories. Roughly one-fourth of these households have single occupants.

The information in Table 4.1 suggests that Stages 2 to 7 of the family cycle form a straightforward series of changes, approximating an ordinal variable; Stage 9 completes that series. However, other types of households are, in effect, dichotomised by age, in the case of households of those who have not

married, or by widowhood, as the demographic characteristics of Stage 8 households suggest.

In evaluating the usefulness of the full measure, the most direct test is to compare its ability to explain income levels with that of age. Income will "peak" somewhere in the middle of both the family cycle and the age span, and the appropriate comparison is between curvilinear expressions of the two variables. That comparison can be found in Table 4.2, which gives the variance explained (R^2) by family cycle and age in six income variables.

Table 4.2: *Explained variance in income measures: a comparison of family cycle and age effects*

	Variance explained	
	*Family cycle**	*Age**
	Per cent	*Per cent*
Direct income of HOH	15.4	18.7
Direct household income	18.2	10.7
Gross household income	22.7	7.5
Transfer payments	4.6	3.2
Direct taxation	7.8	2.7
Household disposable income	23.3	7.3

*Both family cycle and age have curvilinear relationships to income. As a set of seven dummy variables, family cycle is appropriate for such a relationship; age is converted into the appropriate relationship by using age and the age squared to predict the natural log of income.

The explanatory power of family cycle is clear for all but the direct income of the head of household. In terms of the total disposable income available to households, family cycle can explain 23.3 per cent of the variance, as opposed to 7.3 per cent for age; the comparable percentages for direct household income are 18.2 per cent and 10.7 per cent.

Family cycle, unlike age, can be considered as a true sociological or economic variable, one that can be translated directly into an explanation. It is because age is related to, or acts as a proxy for, a number of "human capital" variables within the workplace — such as the extent of work experience or past promotions — that its typically curvilinear relationship to occupational earnings can be explained in economic terms. Age also acts as a convenient proxy for a household's presumed positioning in the process of family formation and family dissolution, and thus to eligibility for tax allowances and transfers. (See Fiegehen *et al*, 1977, pp. 51-67.) Age in itself is only a biological variable — albeit a basic one.

The comparisons we have made thus far based on income ignore the problem of equivalence. A particular income level has very different implications for standard of living of an elderly person living alone and a married couple with ten children. There is a problem of standardisation.[1] The average income figures calculated for this chapter are based on actual rather than equivalent income. Demographic variation among households will be considered as it is concomitant with family cycle. In Chapter 5, however, in which poverty is the topic under scrutiny, equivalence scales will be used to formalise the comparison of income levels to income needs.

There are obvious problems in using cross-sectional data to capture family cycle effects that unfold over time. The *1973 Household Budget Survey* provides estimated incomes of individuals and families who are of different ages and at different stages of the family cycle. It is not feasible to assume that the difference in the incomes of, say, a 45-year old and a 25-year old unskilled labourer accurately reflect the changes in relative income that will be experienced by the 25-year old over the next 20 years; this confuses age categories with the changing fortunes of cohorts as they age. Younger workers entering the labour force recently do so in different kinds of jobs (and are distributed differently over those jobs) than are their older workmates. Presumably they will have a different career pattern of job and income mobility over their life cycle than did their peers who entered the labour force 20 years previously.

In order to have a base-line by which such cohort effects can be evaluated, estimates were made of the changing shape of the "typical" family cycle in Ireland. Table 4.3 provides estimates of the point at which several key stages in that cycle are reached: marriage, the completion of child-bearing, and the

[1]The need for standardisation has general acceptance; no methodology for doing so, however, is without its critics. Equivalence scales, which weight a household's income on the basis of the numbers and ages of its members, have been used in three recent and influential studies of poverty: *Poverty and Progress in Britain 1953-1973* (Fiegehan *et al* 1977), the Royal Commission on the Distribution of Income and Wealth's *Lower Incomes Report*, and Townsend (1979). Equivalence scales multiply or divide a household's income in order to make it comparable to that of a selected standard household composition — say households with two adults. The arbitrariness results from the choice of the weights to be assigned to other household members, though alternative schemes often yield similar results (Royal Commission, 1978, pp. 186-187). One approach is to use actual expenditure data to derive a weight that reflects "how much additional income a given family requires to 'compensate' . . . for the additional expense of an additional member" (Fieghen *et al.*, 1977, p. 92). A "political" weight (Van Praag *et al.*, 1978) based on the standards set by legislation governing state income support programmes, is a second approach. This latter solution was adopted by the Royal Commission on the Distribution of Income and Wealth. From the implicit weights in the British Supplementary Benefits Schemes, an adult living alone was assigned a weight of .60, a married couple a combined weight of 1.0, each additional adult .50, and all children under age 15, .25. The family cycle implications of those weights can be seen by returning to Table 4.1, which gives the average equivalent weight for each stage of the family cycle. The pattern, of course, mirrors that for household size and age structures — it does not, however, correlate as well with variation in the number of income earners, which "peaks" later in the cycle.

average number of children born to households. Those estimates relate to five specific marriage cohorts, with each cohort representing all marriages occurring in the stated year.

The experiences of the cohorts, both actual and (for the more recent cohorts) projected, are strikingly different, and are different in a manner that has implications for the level and nature of income inequality. Changes in the duration of the child-bearing years and the related decline in fertility will be crucial. The average age at which a woman married in 1957 gave birth to her last child was 40; on average, that is estimated to occur at age 35 for those women who married in 1971.

Table 4.3: *Estimated average age at which stages of the family cycle are reached in Ireland*

	Cohort									
	1957		*1961*		*1965*		*1969*		*1971*	
	W	*H*	*W*	*H*	*W*	*H*	*W*	*H*	*W*	*H*
Median age at first marriage	25.9	29.4	25.1	28.3	24.2	27.0	23.8	26.0	23.5	25.6
Family size* (for marriage cohort)	4.25		4.10		3.79		3.56		3.29	
No. of years typical woman in cohort takes to have last child	14 yrs		16 yrs		13 yrs		11 yrs		11 yrs	
Age at which typical woman completes child-rearing	39.9 yrs		41.1 yrs		37.2 yrs		34.8 yrs		34.5 yrs	

*Tends to overestimate average/median family size.

Sources: Median age at first marriage: 1957, 1961, 1965, 1969: Walsh (1972: Table 1); 1971: Table 44, Vital Statistics 1971. Family Size and No. of years taken to complete child-rearing from: Michele Brahimi (1978: Table 4).

Explanatory Notes

The age at which people enter the different stages of the family cycle has been calculated for the United States by Glick and others. Attempts to construct a similar model for Ireland proved unsuccessful due to: (1) a lack of relevant data and (2) because of the way the data that are available are presented. An alternative approach has therefore been adopted to produce this table, with a view to gaining some appreciation of the age at which "the typical woman" in different years might commence and complete child-rearing. The years included in the analysis have, to a great extent, been determined by data availability. There is also some further relevance for the particular years studied. It will be noted that those marrying in 1957 will, in all probability, have completed child-rearing by 1971. It is also useful to estimate when people marrying in 1971 may expect to complete child-rearing. It must be noted, however, that in the more recent years a considerable amount of interpolation has been used in attempting to predict final family size of those who have not yet completed child-rearing. Analysis and estimates calculated by Michele Brahimi (1978) for final family size of cohorts consisting of all those marrying in particular years were used to indicate the number of years that "the typical woman" in each of marriage cohort might take to complete child-rearing.

At an aggregate national level, the changes outlined in Table 4.3 will affect the level of income inequality primarily through changes in the dominant types of households — as average family size decreased, the average age at marriage declined, and a greater proportion of the population married, the relative size of groupings within which consumption and income earnings occur have changed. As Treas and Walther (1978, p. 866) note: "Family income reflects not only the structure of economic opportunity, but also the choices, circumstances, and conventions of family life. Thus, we might expect that historical changes in family structure and in family labour supply would alter the distribution of income between families" (see also Kuznets, 1962 and 1974).

These changes cannot but affect the composition of the "typical family" as an income-earning and as a consumption unit. Variation in household composition is considerable at any given point in time, and has an economic impact that in its general outlines ignores class differences. Family cycle is the most useful representation of that variation. Despite the obvious effects of increasing age — with greater work experience and promotion — on income, the *per capita* income of all households at the family formation stage of the cycle necessarily declines as the number of children increases and as expenditure requirements per child increase as children age. Any study of changing income inequalities in Ireland over the past few decades will be in the context of increasing marriage rates, the downward trend in age at marriage, and the decline in average family size.

Family Cycle and Income Variation in 1973

The Level and Composition of Income

Variability in average income over the family cycle, as revealed in Table 4.4 is both more consistent and more constrained that that found for the class categories. Household income reaches a peak at Stage 6, Early Dispersal, a peak formed by the gradually ascending averages from Stages 3 to 6 and the equally gradual descent onwards to the final stages of the cycle. The average disposable income is £39 weekly at Stage 3, Family Formation, and is £47 at Stage 6; by the "Empty Nest" stage, that average has fallen to £21. For most stages, and especially for the later stages, the standard deviations are substantial in relation to the means. The "typical" pattern is clear, but obviously it masks a substantial variability, some of which is associated with social class.

If the averages form a clearer picture of income change than was found for class, the amount of inequality associated with the stages is less than was observed in the last chapter. This is shown in the comparatively low eta squared statistics. Also, the impact of extra income earners and the net redistributive effect of tax and transfers appear to be less than for class inequal-

Table 4.4: *Average weekly direct and disposable incomes by family cycle stage*

	Head of household		*Total household*			
	Direct income		Direct income		Disposable income	
	$\bar{X}$	(SD)	$\bar{X}$	*(SD)*	$\bar{X}$	*(SD)*
1 Young single	25.2	(16.1)	41.4	(29.8)	37.0	(25.5)
2 Young married	37.0	(25.2)	46.4	(29.7)	41.1	(25.7)
3 Family formation	35.5	(32.7)	40.9	(31.7)	39.1	(29.7)
4 Middle-child rearing	35.2	(27.9)	43.3	(29.9)	44.6	(26.0)
5 Complete	34.2	(30.2)	46.4	(33.0)	46.5	(29.2)
6 Early dispersal	30.5	(31.2)	49.2	(37.1)	47.3	(32.0)
7 Dispersal	24.7	(27.8)	48.9	(34.5)	45.7	(27.0)
8 Two generation adult	11.4	(20.4)	34.1	(30.1)	35.7	(24.6)
9 Empty nest	14.5	(26.6)	17.5	(27.8)	20.6	(23.5)
10 Old single	12.8	(16.4)	17.0	(20.5)	19.0	(16.8)
E^2	.119*		.146*		.150*	

*Statistically significant at .01 level.

ities. Family cycle inequalities, unlike those associated with class, are less for head of household direct income than for the household's total direct income. The difference is explained by the limitation of supplementary income earners to particular stages of the cycle, increasing the variation attributable to family cycle.

Income inequalities are evident along the horizontal dimension of family cycle. But the evidence suggests that those inequalities are less substantial than those along the vertical dimension of class, and that the re-distributive effects, though identifiable, are less effective in reducing those inequalities.

The impact of extra income earners, however, is quite substantial. Its effect is strongly associated with the economic power of households, as would be anticipated, but the importance of the supplement to household income is so substantial as to reward a more detailed look at the actual size of the addition at each stage. Table 4.5 summarises the change by indicating the percentage of household direct income attributable to earners other than the household head.

Table 4.5: *Stage of family cycle and the significance of subsidiary income earners: percentages of household direct income*

	1	*2*	*3*	*4*	*5*	*6*	*7*	*8*	*9*	*10*
Percent of total household direct income contributed by others in household	39.9	20.9	13.2	18.7	26.1	37.8	49.3	66.6	17.1	24.7

Over half or more of total households direct income is accounted for by "other" household members at Stages 7 and 8, while the least contribution occurs at Stage 3 when, presumably, wives withdraw from the labour force with the birth of children. And at the later "empty nest" stage of the cycle, income from subsidiary earners is again minimal. In the typical pattern revealed by the income averages, extra economic effort is sufficient at most stages — family formation and middle child-rearing being the main exceptions — to reconcile household consumption needs and the flow of income. But the possibility of systematic class differences in the ability or necessity to do so remain to be investigated. This will be done in the third section of the chapter.

Head of household direct income, as was seen in Table 4.4 only varies slightly across the stages of the family cycle. From Stage 2 through Stage 5 there is almost no variation in the averages, and only after Stage 6 is there a marked decline. The highest direct incomes for household heads in 1973 were found in the early stages of the family cycle — reflecting perhaps cohort rather than actual family cycle differences. But the addition of the earnings of other household members reverses this, with the highest household direct incomes occurring in the dispersal stages, when the household's economic power is maximised. This is carried over to disposable incomes, though the burden of taxation is apparently structured so as to equalise the middle stages (4-7) to a plateau of comparative plenty, with little to separate the incomes of households in those stages.

The meaning of these alterations to the household head's earnings are most clearly to be seen in the actual expenditures of the households at each stage. Table 4.6 provides two approaches to measuring changes in the amounts expended: the actual recorded amount and that amount standardised across households by the use of adult equivalences scales.

The actual expenditures of households maintain roughly the same relativities across the family cycle as were indicated by disposable incomes. Expenditure and income are maximised at the middle to late stages in which children are present in the household. The only substantial discrepancy is at Stage 2,

the "Young Married" stage, in which the average disposable income was £41 and the average expenditure, £30. The salience of savings to such households may partly explain that discrepancy: their distinctive expenditure patterns may also be relevant. Households at the last two stages in the cycle have disposable incomes considerably higher than their recorded expenditures, but this has less effect on the inter-stage relativities. Overall, the consistency in the two measures of household well-being is more pronounced than the discrepancy.

Table 4.6: *Family cycle variation in total household expenditure: average total expenditure and average total expenditure per adult equivalent**
(£)

Stage in family cycle	*Total household expenditure*		*Total household expenditure per adult equivalent*	
	Average	*(standard deviation)*	*Average*	*(standard deviation)*
1 Young single	37.14	(25.4)	21.35	(10.4)
2 Young married	30.26	(22.7)	23.32	(14.3)
3 Family formation	46.18	(28.4)	20.46	(13.1)
4 Middle child-rearing	51.82	(28.3)	17.20	(9.2)
5 Complete	54.04	(32.9)	16.71	(9.4)
6 Early dispersal	55.19	(36.7)	16.70	(9.5)
7 Dispersal	53.77	(33.4)	18.35	(10.5)
8 Two generation adult	37.18	(24.7)	16.36	(10.1)
9 Empty nest	14.52	(16.7)	14.18	(12.2)
10 Old single	18.09	(22.9)	12.14	(10.8)
All households (n = 7,596)	41.05	(28.1)	16.69	(10.8)

*Equivalence sales are those implicit in the unemployment benefit scheme, October 1972 (see Chapter 5 for details).

The consistency of income and expenditure data for the middle stages of the family cycle suggests that households are responding to basic demands in a systematic manner. In other words, income is being expanded to meet pressing

needs or in some households into educational advantages for their children; the higher incomes at Stages 5, 6 and 7 will not translate, at least for the typical household, into consumption of luxury goods. Variation in household standard of living is indexed more satisfactorily by expenditure per adult equivalent. Those averages reveal that the well-being of many households is artificially inflated by the unadjusted figures. Of those stages, only at the dispersal stage, where expenditure per adult equivalent is £18, is the household at a clear financial advantage. The family formation stage, with generally just one income earner and with few dependants on that income, is also seen to be more advantageously situated when standardisation is introduced. By and large, the early unburdened stages are those in which income seems most adequate for requirements.

Re-distribution and the Family Cycle

The provisions of taxation arrangements and of state transfer programmes are designed to, among other criteria, mitigate — or at least to take cognisance of — the tension that exists between household income and household consumption needs. Direct taxation re-distributes both through a progressive rate of tax, matching the proportion taken through tax to the size of the income, and through allowances calibrated to fit the number of dependants within a household who must be accommodated by that income. Similarly, transfer programmes are designed with specific adjustments to conform to household composition, especially the presence of dependent children, and to cater for specific points in the cycle in which the problems of meeting expenditure requirements will be acute for most households, as is the case with the universally available Children's Allowances.

Thus, over the family cycle, some state policies can be expected to adjust household direct income to conform with the realities of different stages. For example, direct income will decline at Stage 3 for the average household, as children are born to the family. Children's Allowances and tax allowances, including those based on mortgage repayments and those for non-working spouses, should act to counterbalance that drop. There are few tax concessions, however, for a young single person living in a rented flat to claim, and, unless unemployed or disabled, few direct state transfers available. Similarly, for the married couple, as children begin to work or both spouses earn income, tax liabilities increase substantially and eligibility for state transfers declines. But upon retirement, a diminished, if not eliminated tax burden, and a new set of relevant benefits become available, again significantly adjusting available income.

That is the rationale, implicit or explicit, for the choice of specific provisions in taxation and transfer policy. The reality of the impact of those provisions

in 1973 can be evaluated from the figures in Table 4.7 which contains the average direct transfers received and tax paid at each family cycle stage. A separate column gives the net adjustment, in pounds, that results. Transfer payments are maximised at Stage 4, the Middle Child-Rearing stage, and at Stage 8, in which two generations of adults are present and the households' demographic characteristics maximise eligibility for transfer programmes. The flow of income in the form of state transfers is significant at all stages but the two initial ones. Payments range from the £1 weekly received on average by households in the "Young Married" Stage to the nearly £6 received at Stage 8. On average, the burden of direct taxation is heaviest at the dispersal stage, in which an average of £7.15 is paid in tax. It is also high at the early stages, where few tax allowances are available. The changing amounts paid in tax parallel the decline and subsequent rise in the number of income earners and the rise and subsequent decline in the number of dependants qualifying for tax allowances.

Table 4.7: *Effects of state transfers and taxes on income by family cycle stage: average weekly receipts and payments (£s)*

	Total direct transfers	*Total direct tax*	*Net effect*
1 Young single	1.67	6.09	−4.42
2 Young married	1.07	6.28	−5.21
3 Family formation	2.53	4.29	−1.76
4 Middle child rearing	5.08	3.79	+1.29
5 Complete	4.66	4.57	+0.09
6 Early dispersal	3.82	5.69	−1.87
7 Dispersal	3.92	7.15	−3.23
8 Two generation adult	5.84	4.23	+1.61
9 Empty nest	4.87	1.80	+3.07
10 Old single	3.68	1.71	+1.97

Balancing tax paid and transfer received at each stage, as is done in the column of Table 4.7 showing the net effect on the averages, reveals a clear pattern of re-distribution. On average, households in the child-raising stages are only slightly affected by state activities. At both the Middle Child-Rearing and Complete stages, households are on average beneficiaries of state interventions, but only slightly. Households in the early stages are net tax contributors, unlike those at the dispersal stages, while the clearest net beneficiaries of the full system of policies are stages in which many or most households have a retired or elderly head.

The full implications of these adjustments to direct household income can only emerge in the context of the average direct income that is undergoing

alteration. When expressed as a percentage of household direct income, the net changes attributable to tax and transfers in 1973 were as follows for the ten family cycle stages. The first three stages were net contributors to public revenue: at Stages 1, 2 and 3 the percentage reductions in direct incomes were 10.7, 11.2 and 4.3, respectively. At the stage of Family Formation, Stage 4, the net addition from state interventions was 3.0 per cent. An exact balance between tax and transfers was present, on average, in Stage 5, Complete. At Stages 6 and 7, the two stages which have the highest average number of employees in the household, the percentages were negative: with reduction of 3.8 per cent at the Complete stage and 6.6 at the Early Dispersal stage. For the remaining stages, households were, on average, beneficiaries of state interventions. The stage we have labelled Two-Generation Adult, on average benefited to an amount equivalent to 4.7 per cent of its direct income. At Stages 9 and 10, the percentages were 17.5 and 11.6.

For the full sample of households, re-distribution along the family cycle is from the relatively unburdened early stages and from the later stages in which older children and working spouses supplement household direct income. The excess of taxation paid over the expenditure received at these stages is allotted in such a manner as to benefit households at the middle child-rearing stages, where the number of dependants is maximised, and at the last stages, in which a decline in the number of dependants cannot compensate for the diminution of the direct income flow.

Class Variation in Family Cycle Effects: Demographic Characteristics and Income Determination

The exigencies of the family cycle process supersede class boundaries. As a family progresses through the stages, inevitable changes will take place in consumption requirements and income possibilities. As the demographic structure of the national population changes over time, the distribution of households among the family cycle stages will alter; one consequence will be an affect on the overall level of inequality captured in a measure of inequality. A similar effect will occur in a cross-sectional study of class income inequalities if there is a diversity among social groups in the size, age composition, and income needs of their households. Such diversity, if systematic, will be an obstacle to making valid comparisons across class categories.

If the socio-demographic profiles of our class categories are similar, no difficulties need arise. Given the magnitude and recency of the economic transformation Ireland experienced, however, such a similarity cannot be assumed. Table 4.8 examines the demographic features of households in each class category, including the proportion of households at key periods of the family cycle.

Table 4.8: *Socio-demographic characteristics of households by class*

	Large prop.	*Small prop.*	*Larger farmers*	*Medium farmers*	*Small farmers*	*Marginal farmers*	*Higher prof.*	*Lower prof.*	*Intermediate non-manual*	*Skilled manual*	*Service*	*Semi-skilled manual*	*Unskilled manual*	*Residual*
Type														
1 Mean age of HOH	48.6	48.2	53.2	50.8	54.4	58.6	44.6	47.5	47.9	46.9	49.9	49.1	56.8	65.6
2 Per cent with married couple	88.5	78.2	77.7	76.7	66.0	55.6	93.9	63.1	67.3	85.4	75.0	81.7	70.3	6.0
3 Per cent with female HOH	7.6	12.6	6.8	4.7	8.0	12.0	2.3	26.9	26.5	7.8	15.5	10.2	11.2	90.1
Size														
4 Average No. of persons	4.6	4.4	4.5	4.5	4.0	3.4	4.5	3.8	3.9	4.7	4.3	4.5	4.1	2.0
5 Average No. of children under 15	1.7	1.6	1.3	1.4	1.1	0.8	1.8	1.3	1.3	1.8	1.5	1.6	1.3	0.4
Work Status														
6 Average number at work	1.3	1.3	1.7	1.6	1.5	1.4	1.2	1.3	1.3	1.4	1.4	1.4	1.1	0.2
7 Average number unemployed	.01	.01	.00	.01	.03	.05	.01	.03	.05	.10	.10	.16	.24	.02
8 Per cent with HOH unemployed	—	—	—	—	—	—	0.0	.01	.02	6.1	5.6	9.2	16.5	.00
9 Per cent of married couples with wife in employment	2.2	7.3	6.3	4.3	0.9	2.7	6.8	23.3	10.6	9.4	9.9	6.1	7.3	0.0
Family Cycle														
10 Per cent in pre-marriage/early formation stages (1-4)	40.6	41.4	35.2	32.4	29.7	15.4	55.0	46.0	46.9	47.7	39.8	42.2	27.8	10.2
11 Per cent in empty nest stage (9 & 10)	20.6	22.2	22.9	25.3	34.4	47.0	13.3	22.1	20.1	13.2	23.0	18.6	32.6	65.4

A typical pattern does seem applicable to most class categories. But there are some anomalies that require consideration. The most atypical situation is that of the marginal farmers (those with less than 30 acres). Households in that category are crowded into the last two family cycle stages (nearly one half are in the Empty Nest stage), and are unlikely to contain children. Small farmers and unskilled manual workers as categories share this marked representation by the elderly. All three categories are predominantly comprised of the elderly: the average age of household heads in the marginal farm category is 59, among small farmers 54, and among unskilled manual workers, 56. In the case of marginal farm households, it seems unlikely that there are heirs to replace the present generation. All three categories — small farm, marginal farm, and unskilled manual — were marginalised in the course of economic and technological change; in effect, they represent the remnants of previous economic arrangements.

The residual category (14) is clearly shown to be comprised of the elderly; nearly two-thirds of the category's households are at the final stages of the family cycle. The bulk of this category therefore is made up of old retired/unemployed people, long outside of the labour force and dependent almost exclusively on state transfers for support. Only six per cent of such households include a married couple, while 90 per cent have a female household head.

In contrast, the youngest and least family-oriented households occur amongst the two "lower" non-manual categories, lower professional and intermediate non-manual. Roughly one in seven of these households consist of young single women and men at the beginning of their working career. This is true of less than five per cent of the households in other class categories. Many positions — mostly clerical — in the lower non-manual category are "recruitment" grades within large organisations, or are positions like clerk-typist which are often filled by young women between school-leaving and marriage. (See Parkin, 1971; Hall and Jones, 1950). Of 1,057,000 females over 14 years of age in Ireland in 1971, 27 per cent were working; but 78 per cent of those at work were single. Indeed 52 per cent were single and under 30 years of age. Of 67,127 female clerical workers recorded in the census, 67 per cent were single and under 30; this was true of only 37 per cent of the 36,100 male clerical workers. Many occupations, therefore, included in our non-manual categories are transitional or recruitment grades — ones which are dominated by young single females or by young men or career-oriented women who are at the beginning of career paths in large corporate organisations.

In terms of comparisons among class categories, the crucial socio-demographic characteristics are the age and marital status of the household head, and the distribution of households between the early, middle and late stages

of the family cycle. The situation of the lower professions and intermediate non-manual categories, though atypical, does not pose the problems which arise from the demographic marginality of marginal farmers and unskilled manual workers. For those latter categories, these distinctive demographic profiles are coincident with, and largely a product of, these class positions. They cannot strictly be separated into two effects.

With minor variations, the remaining categories conform to a single reproduction pattern, with the majority of households at the beginning or middle stage of the family cycle.

There are two main reasons for examining the combined effects of class and family cycle on income. First, though progression through the family cycle has its imperatives, the reactions of individual households takes the form of personal decisions by potential income earners within a family and by those responsible for purchases. Class differences exist in the elasticity of the response of family labour and property resources to economic pressures in the form of changing consumption demands. Secondly, to the extent a class departs from the "typical" national pattern in its households' socio-demographic characteristics, systematic differences will exist in the base from which classes participate in the economic order.

Class differences in the responses households make to family cycle exigencies are less readily examined than the socio-demographic variation by class that was considered through the information in Table 4.8. To test for class differences in such responses, a measure of "need" must be found, and the relationship of income to need examined by class, controlling for family cycle. If need is taken as a function of the number of dependent children, then the correlation of income to the number of dependants should vary by social class. The most straightforward comparison is that between farm households (class categories 3, 4, 5 and 6) and working class households (categories 10, 11, 12 and 13). The households examined will be those in the family expansion/complete stages of the cycle (Family Formation, Middle Child-Rearing, Complete), stages in which "needs" are increasing or at a maximum. Rowntree (1899) argued that working class parents are unable to increase their direct incomes to coincide with such expanding demands for consumption. As Loomis (1951) has shown, that constraint does not typically operate for farmers and other property owners, or for the self-employed generally.

There are 1,492 working class households at the relevant stages of the family cycle. The correlation of income and number of dependants is .03 for those households, with head of household direct income expressed as a logarithm to allow for a curvilinear relationship (given the restricted range, age is not adjusted for that possibility). The comparable correlation for the 460 farm households meeting the stage of family cycle criterion is .09. For working class

households, the presence of a larger number of children is not associated with an increased direct head of household income, and the economic welfare of the family necessarily declines as the number of dependants increases. This need not occur, at least to the same extent, among farm households.

A more complete picture of social class variation in the response relationship of income to need can be found in Table 4.9, which provides the relevant correlations for working class, professional, farm and non-farm proprietorial households. Three income variables are included: head of household direct, household direct, and household disposable.

Table 4.9: *Zero-order correlations between number of children (aged less than 15) with income* (households at stages 3, 4, and 5)*

	Working class (10-13)	*Upper white collar (7 and 8)*	*Farmers (3-6)*	*Non-farm property owners (1 and 2)*
1 Head of household direct income	.03	.04	.09**	−.02
2 Household direct income	.07**	.01	.11**	−.03
3 Household disposable income	.10**	.16**	.20	.09
N	1,492	310	460	227

*Income variables are natural logarithms.

**Statistically significant at .05 level or greater.

For working-class households, and to a lesser extent for professional households, larger family size is associated with higher disposable incomes but not to higher direct incomes — the increase to meet needs cannot be attributed to the head of household's income producing activities or additional income earners. Transfer payments and tax allowances are responsible. For farm households, a significant correlation exists for both the direct and the disposable income of the head of household. At the household income level, the only important correlation in direct income is for farm households. Non-farm property owners do not have an association between the number of children in the household and direct income.

The relationship between need (as manifested in the number of dependants) and income can be contrasted with that of income to the age of the head of

household. This is shown in Table 4.10. Incomes of heads of households, whether direct or disposable, are negatively related to age of household head in all but professional households. Therefore, the relationship between the number of dependants and income cannot be attributed to a common association with age. Table 4.10 also highlights the importance of additional income earners to working-class households. Though direct imcome produced by household heads for those categories declines with age, there is a strong correlation between age and household disposable income. That positive relationship derives from the economic participation of other household members and the state transfer payment system. A clear difference therefore appears to exist between propertied and non-propertied households at the formation stages of the family cycle, and among employees there are equally clear differences based on market capacity.

Table 4.10: *Zero-order correlations between age of head of household and income (households in family cycle stages 3, 4, and 5)* *

	Working class (10-13)	*Upper white collar (7 and 8)*	*Farmers (3-6)*	*Non-farm property owners (1 and 2)*
1 Direct HOH income	−.20**	.06	−.16**	−.09
2 Direct household income	.04	.17	−.01	.03
3 Disposable household income	.27**	.22**	.00	.09
Correlation of age of household head and number of children	.03	.26**	−.02	.11**
N	1,492	310	460	227

*Income variables are natural logarithms.
**Statistically significant at .05 level or greater.

Class Differentials in Income Determination

The impact of subsidiary income earners and the state's re-distributive role stand out from the material presented thus far, both in this chapter and in Chapter 3, as themes to be pursued in an analysis of joint class/family cycle effects. These themes will provide the focus in the remainder of this chapter.

With consideration of the combined class and family cycle relationship to income, the presentation of the relevant data becomes cumbersome. This is unavoidable to some extent, given the 140 cells of information involved, but by using charts and by selecting certain categories as illustrative of the relationships present, the comparisons should be manageable.

The first task is to ascertain the nature of the differentials present for direct income — income earned from market capacity.

Table 4.11 presents the average head of household direct income for the class/family cycle combinations, while Table 4.12 provides averages for the total household direct income. In both tables, cells with fewer than 10 cases are excluded. That exclusionary rule impinges most seriously on the information available for large proprietorial and higher professional households. (Appendix Table 4.1 indicates the number of households in each of the 140 cells.)

Table 4.11: *Average head of household direct income by class and stage of family cycle (£s per week)* *

	Family cycle										
Class	*1*	*2*	*3*	*4*	*5*	*6*	*7*	*8*	*9*	*10*	*Total*
Large proprietors	—	—	90.9	75.3	84.1	75.1	—	—	77.9	—	75.5
Small proprietors	—	33.9	32.6	42.0	32.4	30.2	31.5	16.1	25.5	20.0	31.5
Large farmer	44.3	63.6	53.8	64.4	49.8	60.8	58.8	47.6	37.0	26.3	50.5
Medium farmer	31.9	27.2	40.2	47.0	37.5	36.8	37.1	39.6	34.8	20.0	35.0
Small farmer	17.9	23.1	17.9	25.3	25.7	27.4	17.6	15.2	12.4	15.4	19.5
Marginal farmer	19.2	—	13.8	12.2	16.4	12.8	9.1	11.0	8.2	6.5	10.2
Higher professional	—	65.3	63.0	69.6	68.2	61.6	62.8	39.2	73.1	—	65.1
Lower professional	29.4	50.1	44.8	51.5	46.5	43.0	57.8	22.0	28.4	31.2	40.4
Intermediate non-manual	23.9	39.3	39.7	43.4	47.2	43.6	29.1	11.2	19.8	20.8	32.9
Skilled manual	28.4	33.8	32.9	31.6	30.7	29.8	23.7	10.0	14.2	16.6	27.0
Service workers	24.6	24.5	28.4	32.0	28.0	23.8	20.9	10.9	14.3	10.0	23.1
Semi-skilled manual	—	27.6	27.6	26.4	25.3	22.9	17.3	8.5	14.2	10.5	21.3
Unskilled manual	21.8	22.7	19.1	17.5	18.8	17.3	13.4	3.8	5.3	7.1	12.1
Residual	7.9	—	1.8	4.9	8.3	4.6	3.6	0.8	3.3	1.9	3.0

*A cell is empty if it contains fewer than 10 households.

The patterns found in Table 4.11, uncomplicated by the variations introduced through subsidiary income earners, are clear. We can see with consistency the income relativities found in Chapter 3 for overall class differences. The main distinctions between manual and non-manual employees, and the tiers within each group of categories, are evident, especially at the early and middle stages of the cycle. Retirement and old age, however, blur the differentials that were so clear during the period of employment. The hierarchies

Table 4.12: *Average direct income of households by class and stage of family cycle (£s per week)* *

Class	*Family cycle*										
	1	*2*	*3*	*4*	*5*	*6*	*7*	*8*	*9*	*10*	*Total*
Large proprietors	—	—	85.7	77.7	85.7	87.6	—	—	79.5	—	78.6
Small proprietors	—	36.7	34.5	45.6	41.1	41.0	56.1	34.8	27.2	25.0	38.6
Large farmer	59.3	88.7	62.4	72.9	64.1	76.5	81.4	67.1	44.4	32.6	63.6
Medium farmer	42.2	36.3	47.0	53.9	48.1	57.5	55.6	52.2	38.1	25.1	45.4
Small farmer	25.8	25.7	25.8	39.0	36.6	38.4	32.2	36.6	17.4	19.9	29.2
Marginal farmer	22.2	—	20.6	22.9	32.9	31.9	27.8	22.4	10.5	7.8	18.7
Higher professional	—	78.0	66.5	72.5	75.9	77.7	86.3	73.5	77.6	—	73.6
Lower professional	43.5	61.6	53.1	58.9	71.5	70.8	83.1	70.4	37.7	37.6	56.4
Intermediate non-manual	51.5	49.0	44.8	51.4	50.7	62.9	57.9	41.1	24.3	30.2	46.1
Skilled manual	39.1	44.1	37.0	38.5	41.1	50.2	55.1	36.7	18.4	23.3	38.8
Service workers	40.3	39.7	33.5	40.5	42.2	43.8	46.4	40.6	18.7	13.8	35.4
Semi-skilled manual	—	32.9	30.3	35.7	41.9	43.5	41.8	33.0	16.4	14.3	33.1
Unskilled manual	32.2	29.7	27.3	28.7	37.3	40.1	40.8	25.0	8.4	12.0	25.0
Residual	22.4	—	26.9	14.5	18.5	14.7	14.2	18.2	4.2	2.8	8.7

*A cell is empty if it contains fewer than 10 households.

among farmer and among proprietor categories are readily discerned at all stages of the family cycle. Given the small numbers of households involved in many of the averages and the resulting susceptibility to extreme scores the consistency of income differences is quite satisfactory.

Head of household income data also strongly differentiate the situation of white-collar professionals, who apparently experience — as best as can be determined from cross sectional analyses — a pattern of gradually increasing income, from that of working class households. For the latter households, average earned income peaks in the early stages of the cycle and declines thereafter, often markedly.

At every stage for which information is available (where ten or more households are included) large proprietors have the highest average direct income, both for household heads and the total household. Higher professionals evince the second highest incomes in most instances, though large farmers at some stages are, on average, more lucratively rewarded for their efforts. The situation of the intermediate non-manual category is again ambiguous. Average direct income peaks at a point later than for working class households, but the subsequent decline is more rapid and dramatic than for the other two white-collar categories.

Table 4.12 indicates the full dimensions of the impact produced by the presence of subsidiary income earners within a household. It was shown in previous analyses that for the households in the survey that impact systematically mitigated inequalities between classes and between family cycle stages.

By selecting virtually any row or column in Table 4.12 and contrasting it with the comparable information in Table 4.11, the diminution of class differences in average income and the levelling out of family cycle variation in the availability of income will be highlighted.

The importance of subsidiary income earners in bolstering the family's financial situation for low income households and at crucial stages of the family cycle leads us to risk further burdening the reader with tables. Table 4.13 combines the information in Tables 4.11 and 4.12 to facilitate those readers who wish to systematically examine the impact of subsidiary income. The head of household's income is expressed as a percentage of the total household direct income.

Table 4.13: *Average direct head of household direct income as a percentage of total household direct income by class and stage of family cycle*

Class	*Family cycle*										
	1	*2*	*3*	*4*	*5*	*6*	*7*	*8*	*9*	*10*	*Total*
	(*per cent*)										
Large proprietors	—	—	—	96.9	98.1	85.7	—	—	98.0	—	96.1
Small proprietors	—	92.4	94.5	92.1	78.8	73.7	56.1	46.3	93.8	80.0	81.6
Large farmer	74.7	71.7	86.2	88.3	77.7	79.5	72.2	70.9	83.3	80.7	79.4
Medium farmer	75.6	74.9	85.5	87.2	78.0	64.0	66.7	75.9	91.3	79.7	77.1
Small farmer	69.4	89.9	69.4	64.9	70.2	71.4	54.7	41.5	71.3	77.4	66.8
Marginal farmer	86.5	—	67.0	53.3	49.8	40.1	32.7	49.1	78.1	83.3	54.5
Higher professional	—	83.7	94.7	96.0	89.9	79.3	72.8	53.3	94.2	—	88.5
Lower professional	67.6	81.3	84.4	87.4	65.0	60.7	69.6	31.3	75.3	83.0	71.6
Intermediate non-manual	46.4	80.2	88.6	84.4	93.1	69.3	50.3	27.3	81.5	68.9	71.4
Skilled manual	72.6	76.6	88.9	82.1	74.7	59.4	43.0	27.2	77.2	71.2	69.6
Service workers	61.0	61.7	84.8	79.0	66.4	54.3	45.0	26.8	76.5	72.5	65.3
Semi-skilled manual	—	83.9	91.1	73.9	60.4	52.6	41.4	25.8	86.6	73.4	64.4
Unskilled manual	67.7	76.4	70.0	61.0	50.4	43.1	32.8	15.2	63.1	59.2	48.4
Residual	35.3	—	6.7	33.8	44.9	31.3	25.4	4.4	78.6	67.9	34.5

From Table 4.4 it will be recalled that the direct income of the average household head peaks at the early to middle stages of the family cycle (when his or her average age is between 30 and 40) — a finding in accord with research carried out in Britain and elsewhere (Fiegehan *et al.*, 1977). Total household direct income peaks rather later in the cycle, at Stage 7, the point at which the household head is still working and the contribution from working children and working spouses is maximised. While the difference partly reflects cohort differences, the pattern follows the basic imperatives of family life.

The percentages further strengthen the ties that were found in other analyses between the marginal farmers and the marginal working class. Both categories rely on income earners other than the household head for one-half of their direct incomes. The chief difference can be found in the later stages of the

family cycle, a difference attributable to the nature of the resources being used as the primary income source. Marginal farmers rely less than typically on the household head's earnings only at the middle stages of the cycle; at the early and late stages the head's contribution is not atypical. However, unskilled manual workers are deriving a substantial proportion of direct income from subsidiary income at all except the early stages. A farm provides the head with a consistent, if limited, source of income across the family cycle. The rather precarious labour market capacity of the unskilled labourer does not. The difference is heightened by the demographic profiles of the two categories: unskilled manual worker households are the more likely to have a married household head and children over 15 years of age (see Table 4.8) with associated possibilities to generate income at late stages in the cycle to supplement the head's earnings.

The adherence of specific class categories to the typical pattern of income subsidies can be evaluated from the following four graphs, each of which contrasts head of households and household direct income for two class categories: large proprietors and small proprietors; large farmers and small farmers; higher professionals and intermediate non-manual workers; and, in the final graph, skilled manual and unskilled manual workers.

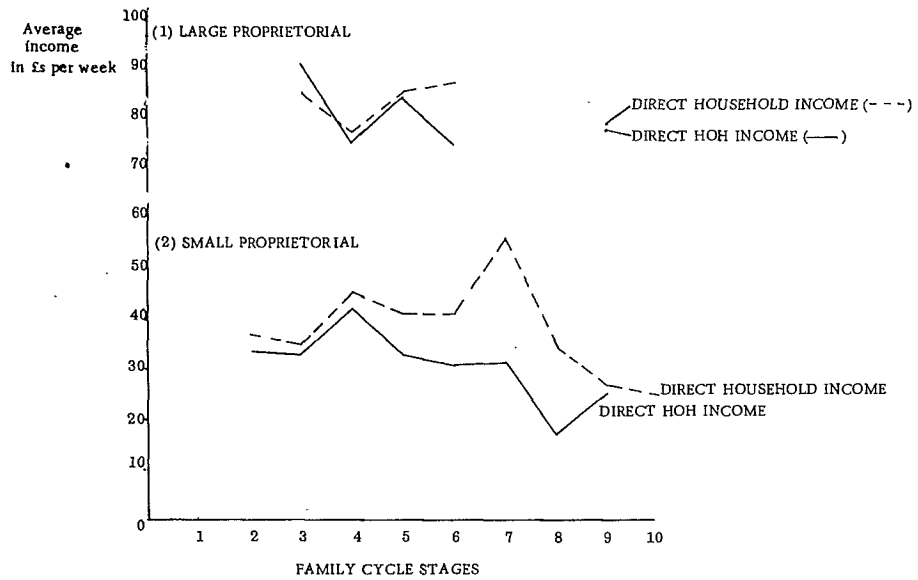
Two general trends are clear: (1) class income differentials are consistent across the family cycle; and (2) there is a basic pattern by which household income varies across the family cycle as well as a basic pattern as to the location of important additions to income from additional earners.

For direct incomes, the main differentials among class categories are upheld at most, if not all, of the family cycle stages. Exceptions are particularly evident in the overlaps between averages for skilled manual and service workers and for higher professional and intermediate non-manual workers, reflecting both different patterns of earnings over the life cycle and, in places, the effects of extreme scores on small cell numbers. The best test of how advantageously placed a category is relative to others can be found in the late stages of the cycle.

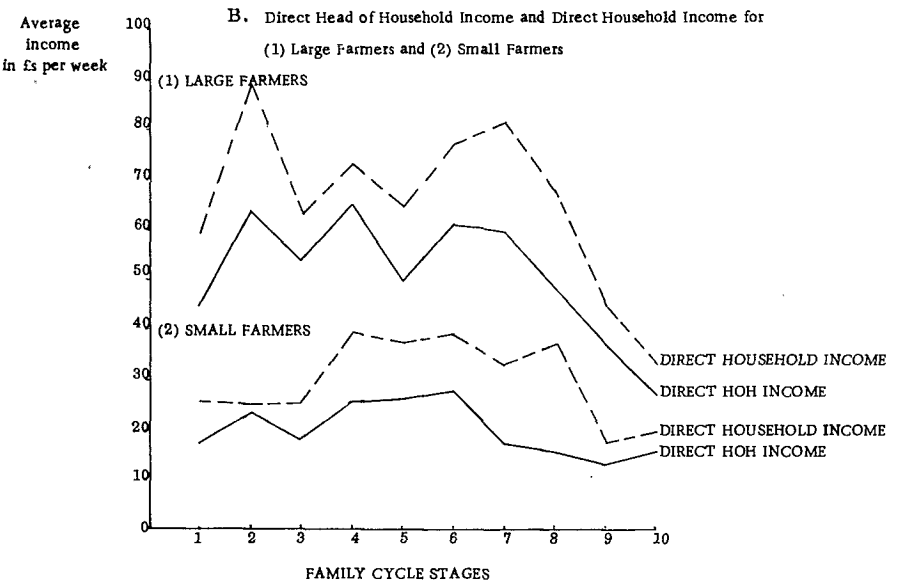
The importance of additional earners to even out available income over the family cycle is clearest and most systematic among working class categories. On the basis of the income of the household head, those households would face an income flow that is diminishing simultaneously with increasing need, as reflected in the number of individuals depending on that income. However, the total direct *household* income for working class categories increases continuously from Stages 3 to 6. Such reliance on additional income earners had important ramifications for social class: the low participation rates of working class children in senior cycle second-level and third-level education is partially attributable to the imperatives of matching income with need.

Figure 4.1: *Family Cycle Variation in Direct Income: Head of Household and Total Household Incomes by Class Category*

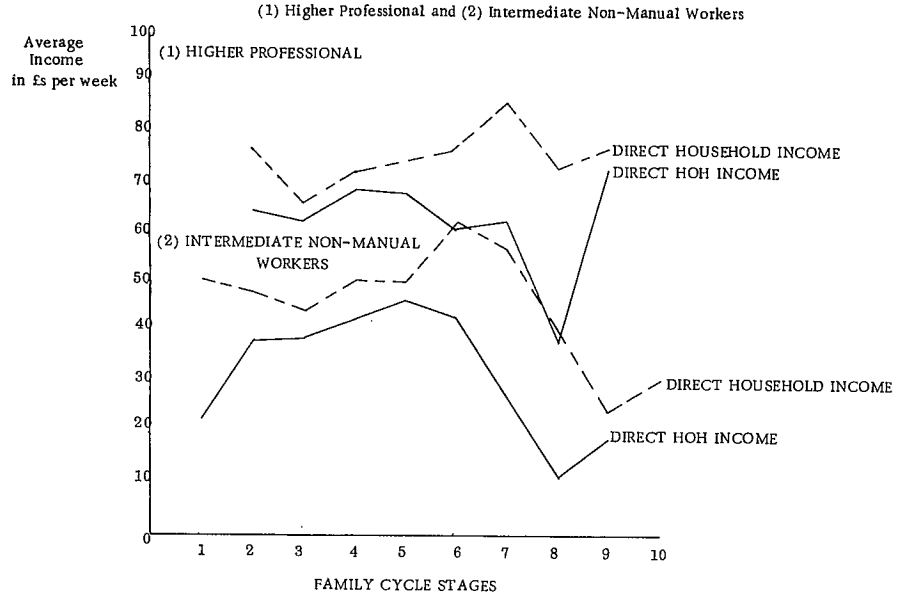
A. Direct Head of Household Income and Direct Household Income for (1) Large Proprietorial and (2) Small Proprietorial Families



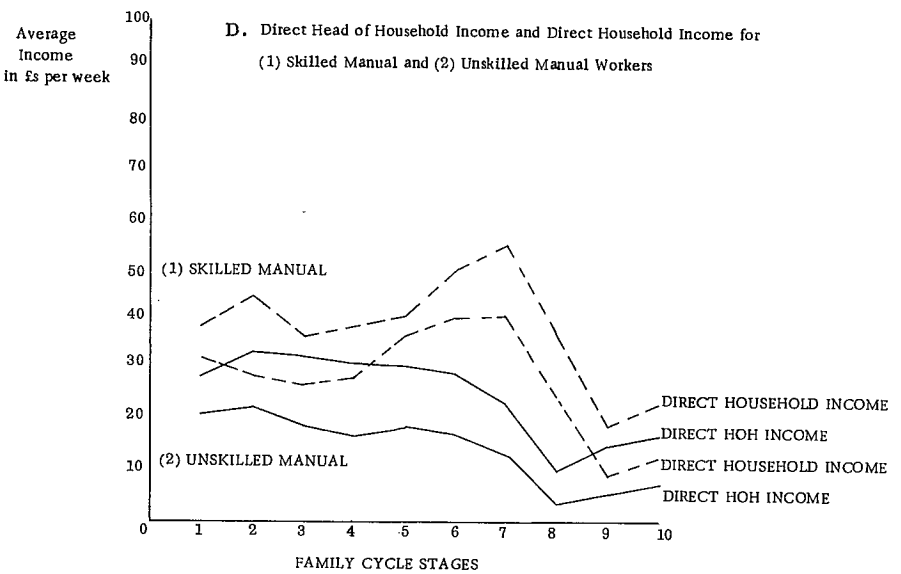
B. Direct Head of Household Income and Direct Household Income for (1) Large Farmers and (2) Small Farmers



C. Direct Head of Household Income and Direct Household Income for (1) Higher Professional and (2) Intermediate Non-Manual Workers



D. Direct Head of Household Income and Direct Household Income for (1) Skilled Manual and (2) Unskilled Manual Workers



There are three basic points of variation by class: (1) higher professional households retain substantial average incomes through the late stages of the cycle, whereas income levels decline precipitously for most other categories (the limited information on large proprietor households suggests a pattern comparable to the higher professional category). (2) Head of household direct income peaks at quite different stages of the cycle, depending on class. A manual/non-manual division among categories of employees seems clearest, with the incomes of manual workers peaking very early and declining continuously thereafter; professionals and intermediate non-manual workers reach a peak in their direct incomes, on average, somewhat later, and retain that basic level through the middle stages of the cycle. This is also broadly applicable to proprietors and to large, medium, and small farmers. (3) The importance of subsidiary income sources differs markedly among class categories. This is well illustrated in the contrast between skilled manual and higher professional workers. For manual workers, the importance of additional earners both begins earlier in the cycle and is far more significant as part of the total household income. Skilled manual workers at Stage 7 of the cycle are themselves, on average, earning £24 weekly; the household direct income at that stage is £55. Higher professional households also draw substantially on extra earners, but the implications are quite different: at Stage 7 of the cycle, higher professional households receive an average of £63 from the head and a total of £86 weekly from all income earners.

The pattern of adjustments across the family cycle attributable to state taxation and transfers was also clear for the full sample when direct and disposable household incomes were compared. Re-distribution did occur, and took the form of increasing income at the late stages of the family cycle and at the middle child-rearing stages, in which the number of dependants is high. That increase was at the expense of the relatively unburdened early stages and from the "complete" and dispersal stages, in which the number of income earners is maximised.

The material contained in Tables 4.12 and 4.13 provide the necessary information for assessing the extent to which the "average family" is representative of the households in each of the 14 class categories. Table 4.14 complements the two previous tables: it provides average household disposable incomes for each class category/family cycle stage combination. Here again, two tables of 140 cells each must be compared in order to understand the effect being studied. Assistance is offered in the form of another table, Table 4.15, in which re-distribution is measured for each cell as the percentage change in household direct income attributable to the net effect of tax and transfers that, on average, households experienced. The table provides the average net percentage change for all households in each class category and

Table 4.14: *Average disposable income of households by class and stage of family cycle (£s per week)* *

Class	Family cycle										
	1	2	3	4	5	6	7	8	9	10	*Total*
Large proprietors	—	—	85.7	77.8	85.4	79.2	—	—	71.0	—	75.3
Small proprietors	—	33.7	33.3	46.6	39.7	40.0	51.9	32.1	27.6	25.3	38.0
Large farmer	59.9	88.2	64.3	76.1	66.1	77.3	79.3	68.0	45.1	31.9	64.4
Medium farmer	44.4	36.7	49.3	58.3	51.8	56.6	54.7	51.2	39.4	26.2	46.8
Small farmer	28.4	28.5	30.0	44.8	41.4	40.4	33.6	36.5	19.6	22.0	32.0
Marginal farmer	22.7	—	30.6	34.1	42.2	36.4	32.0	27.9	15.5	11.4	24.1
Higher professional	—	61.5	55.9	64.6	66.4	67.2	68.6	62.7	67.7	—	63.1
Lower professional	36.2	50.7	46.0	55.1	63.2	60.6	63.2	61.3	33.4	31.1	48.8
Intermediate non-manual	42.8	40.9	40.5	49.2	48.3	56.4	50.9	38.1	25.3	28.0	42.4
Skilled manual	32.6	36.2	34.0	38.8	39.2	45.8	48.7	35.5	20.3	23.1	36.9
Service workers	35.2	34.0	31.7	40.1	41.3	41.1	42.6	40.7	20.6	16.2	34.5
Semi-skilled manual	—	29.5	29.4	36.9	41.9	41.0	38.7	33.6	19.2	17.1	33.2
Unskilled manual	28.9	26.9	28.4	34.7	39.4	40.8	40.4	29.9	15.3	15.9	28.7
Residual	27.1	—	31.7	28.5	28.3	22.5	21.0	25.2	9.5	8.3	15.0

*A cell is empty if it contains fewer than 10 households.

for all households in each family cycle stage. For example, large proprietors experienced an overall average reduction in direct incomes of 4.3 per cent; at Stages 3 and 4, however, households at that category were net beneficiaries of the state, with transfers received exceeding tax paid by a fraction of one per cent: 0.1 per cent.

Since this is a cross-sectional study, these transfers across family cycle stages are not occurring over time. Rather, we are making inferences from the pattern by which households that in 1973 were at one stage are transferring income — via the state — to other families which in 1973 happen to be at another stage of the family cycle. If that pattern is generalisable to intertemporal transfers, then over the family cycle the flow of income is being evened out effectively by the intervention of the state — at least for the "typical family".

Concentrating on Table 4.15 for convenience, variation by class category can be readily identified, though consistencies in the placement of peaks and troughs of state contributions can also be discerned. Beginning with the consistencies, the state is providing the maximum assistance or removing the least taxation at Stages 3 and 4 (Family Formation and Middle Child-Rearing) and at the last two Stages, 9 and 10; it is making the smallest net contribution or taking the most substantial amount in taxation at Stages 1 and 2 and at the two dispersal Stages, 6 and 7. This accurately describes the situation in all categories; only minor deviations from that pattern are found.

Table 4.15: *Net weekly effects of tax payments on household direct incomes: by class and family cycle (percentage change)**

	1	*2*	*3*	*4*	*5*	*6*	*7*	*8*	*9*	*10*	
	Young single	*Young married*	*Family formation*	*Middle child rearing*	*Complete*	*Early dispersal*	*Dispersal*	*Two generation adult*	*Empty nest*	*Old single*	*All households*
Large proprietor	—	—	+0.1	+0.1	−0.4	−9.5	—	—	−10.8	—	−4.3
Small proprietor	—	—	−3.3	+2.2	−3.3	−2.4	−7.6	—	+1.6	+1.4	−1.6
Large farmer	+1.0	—	+3.0	+4.3	+3.0	+1.1	−2.5	+1.3	+1.5	−2.0	+1.3
Medium farmer	+5.1	+1.1	+4.8	+8.1	+7.8	−1.5	−1.5	−1.9	+3.3	+4.3	+3.0
Small farmer	+10.0	+11.0	+16.3	+14.7	+13.0	+5.1	+4.5	−0.3	+13.1	+10.2	+9.5
Marginal farmer	+2.0	—	+48.9	+48.5	+28.1	+14.1	+15.1	+24.6	+47.7	+46.6	+28.9
Higher professional	—	−21.2	−15.9	−10.8	−12.6	−13.5	−20.5	−14.8	−12.8	—	−14.3
Lower professional	−16.9	−17.7	−13.4	−6.3	−11.5	−14.4	−24.0	−13.0	−11.4	−17.1	−13.5
Intermediate non-manual	−16.9	−16.5	−9.6	−4.3	−4.7	−10.3	−12.1	−7.3	+4.2	−7.3	−8.0
Skilled manual	−16.8	−17.9	−8.0	+0.7	−4.6	−8.7	−11.7	−3.3	+10.3	−1.0	−4.8
Service workers	−12.5	−14.2	−5.4	−1.0	−2.2	−6.2	−8.1	+0.3	+10.2	+17.2	−2.5
Semi-skilled manual	—	−10.3	−2.7	+3.5	−0.2	−5.7	−7.3	+1.9	+16.7	+19.1	+0.1
Unskilled manual	−10.1	−9.5	+4.3	+20.9	+5.5	+1.9	−1.0	+19.2	+81.9	+32.5	+14.8
Residual	+21.4	—	+17.6	+96.7	+53.0	+53.4	+47.4	+38.6	+125.9	+195.4	+71.3
All households	−14.8	−10.8	−4.3	−1.3	+0.5	−3.9	−3.4	+4.2	+17.4	+11.8	+0.6

*Percentages are not computed if less than 10 households are present in a cell.

All white collar households, including intermediate non-manual ones, are consistent net contributors to the state: the only exception to this is Stage 9 of the intermediate non-manual category. At the dispersal stage, the net reduction once taxes are removed and transfers added is at least one-fifth of household direct income in all three categories. In contrast, farm households are rarely net contributors, irrespective of the size of farm. Only in the dispersal stages are farm households likely to be paying more in tax than they receive in transfers, and the net reduction, where present, is slight. Presumably the excess of tax is due to wage employment by other household members in those "full" family cycle stages.

Working class households are also affected by the state in a manner obviously associated with the pattern of subsidiary direct income earners. At Stage 7, Dispersal, all working class households, including unskilled manual workers, are, on average, net contributors to the tax and transfer system. In the case of all but the unskilled manual category, the net contribution is substantial: nearly one-eight of direct income in the case of skilled manual workers. Such households are also substantial contributors in the early, pre-marriage or pre-child bearing stages of the family cycle. And they cannot rely in all cases on a net flow of transfers into the households at the family formation and child raising stages — all but the unskilled category households are on average losing income from the combined tax and transfer adjustments.

So for even the more marginal of working class categories it appears that transfers received at one stage will have been paid for by tax paid at other stages. From Table 4.15 it can be seen that the burden of taxation is falling where it would be anticipated given the distribution across stages of average income. Again, this is based on cross-sectional evidence: it is indicative of the likely pattern of re-distribution, but is not and cannot be conclusive evidence for its occurrence.

In contrast to other groups, proprietorial households are relatively unaffected by taxes and transfers. The adjustments made are rarely substantial, and there is little obvious re-distribution within either category or horizontal inequalities. This is also characteristic of large and medium farm households.

To the extent that horizontal transfers in one category are being facilitated and subsidised by vertical transfers from a higher income, more effectively taxed, class category, the re-distribution is occurring only within the employee sectors. Middle class, white collar categories are consistently acting as net contributors — the smallest average net percentage reduction experienced by a higher professional household at any family cycle stage is 11 per cent, the highest is 21 per cent. The working class categories with the most valued market capacities were also frequently net contributors; the burden imposed by taxation is only eliminated or made negligible at those stages of the cycle

in which "need" is greatest. At the initial stages of the cycle, skilled manual workers are net contributors to the tax and transfer system to a degree equivalent to professions: the net reduction attributable to the state is 17 and 18 per cent at Stages 1 and 2, respectively.

Conclusion

We have argued that family cycle represents a useful basis for expressing the socio-demographic characteristics of households. Studies of income distribution typically rely on either age or some typology of households based on composition. For example, Kuznets (1962) categorises households in terms of the age and sex of the household head, while Treas and Walther (1978) divide households into those with individuals and those with families, and then subdivide in terms of the sex of the head of the household. Other categorisations take account of the number of children. The merits of our decision to create a new family cycle variable, based on stages, can best be judged by what was found that might otherwise have been ignored.

Income inequalities are systematically associated with changes over the family cycle. In the full sample, household disposable incomes were highest, on average, at Stage 6, Early Dispersal. Stages 3 through 6 form an ascending series of averages, while from Stage 7 onwards the averages decline with equal consistency. The level of inequality found for the households on this dimension, however, is not as strong as that between the class categories. Moreover, the impact of additional income earners in reducing inequalities and the role of the state, while identifiable, did not generate the same magnitude of alterations to head of household direct income inequalities as was found earlier for class categories.

Still, the family cycle variations in the level and sources of income are important. The needs of households, as reflected in the demands on consumption, vary strongly over the cycle. That variation establishes the "target" for social policy, particularly when coupled with the systematic variation in the possibilities for generating a direct income to meet those needs. This pattern of changing income requirements and income possibilities was perhaps expressed most satisfactorily in the average expenditure per adult equivalent figures shown in Table 4.6: financial well-being is most precarious at the middle stages of the family cycle, the increased average incomes merely compensating for increased needs. That increased income came from the efforts of other household members to augment the income of the household head.

Re-distributive effects from the state were active in reducing family cycle inequalities. In particular, the early, relatively unburdened stages were substantial contributors and the late stages the most substantial beneficiaries. On

average, in these stages in which the number of dependent children was greatest, the net effect of taxes and transfers was minimal — or to reduce household income. However, each stage subsumes a diversity of economic situations, corresponding to what we have identified as class variation, and this may conceal quite dramatic re-distributive effects for some categories, effects that in the total sample averages may be lost.

When the family cycle patterns are disaggregated into the 14 class categories, the expected diversity is indeed revealed. Head of household direct incomes reach a peak at different stages of the family cycle depending on the class, though the basic hierarchy of income levels among class categories is present throughout the family cycle. This variation has important implications. For working class households it appears that "need" and head of household direct income do not coincide; an equivalence is possible only through a flow of direct income from other income earners that is greatest at those stages in which consumption requirements are greatest.

In terms of re-distribution, the use of family cycle as a variable highlights basic class differences in the location of net contributor and net recipient household units. For working class categories, which were shown in Chapter 3 to have high levels of dependence on state transfers, the flow of state transfers is apparently concentrated narrowly along the family cycle. Only unskilled manual workers, of the four working class categories, are consistent recipients; for other categories, a significant addition from transfers is typical only at Stages 9 and 10.

The marginal farm category is the only one in which households are net recipients at every stage of the family cycle. Other farm categories vary, depending primarily on household composition and age of the head of household, in whether households are on average benefiting or contributing. Large and medium farm households gain the largest increment to direct income at the middle child-rearing stages of the cycle, with taxes outweighing transfers only at the dispersal stages.

The most consistent re-distributive mechanism is transfers within categories from the stages in which tax is concentrated to those stages in which eligibility for benefits and/or tax allowances is maximised. White collar households provide the only identifiable source for substantial vertical transfers: they are net contributors at all stages of the family cycle.

Of course, our conclusions in both this and the preceding chapter were drawn from an analysis limited in scope — one that excludes the re-distribution effected by taxation on expenditure and the provision by the state of non-cash subsidies. It is a limitation, however, that is rendered far less formidable by the availability of the CSO's (1980) detailed analysis of the re-distributive effects of all state taxes and benefits. From his own re-analysis of the published

material, Kennedy (1981, p. 26) notes that examining the full system

> . . . provides little support to those who discount analysis based on direct taxes and cash transfers, on the grounds that, if other state elements were taken into account, the degree of re-distribution in favour of the poor would be seen to be vastly greater. In fact, only in the very lowest income category do state non-cash services substantially exceed the amount paid in indirect taxes. Overall, though the combined effect of non-cash transfers is progressive, it is very moderate compared with the combined effect of direct taxes and cash transfers.

It is therefore unlikely that our portrayal of the state's re-distributive role minimised its magnitude or its efficiency. But much remains concealed about the distribution of the tax burden and of state benefits among classes and family cycle stages; we hope to return to that as yet uncharted territory in future work.

Appendix Table 4.1: *Number of households in each class/family cycle combination*

	Family cycle stage										
Class	*1*	*2*	*3*	*4*	*5*	*6*	*7*	*8*	*9*	*10*	*Total*
Large proprietor	—	—	26	32	30	23	—	—	28	—	164
Small proprietor	—	10	37	72	30	46	24	10	41	26	302
Large farmer	12	10	31	36	19	34	26	27	27	31	253
Medium farmer	14	19	43	47	46	55	35	26	29	67	380
Small farmer	19	15	33	66	33	57	33	38	55	99	448
Marginal farmer	13	—	15	53	37	69	59	45	117	148	564
Higher professional	—	18	67	98	35	43	19	12	37	—	347
Lower professional	34	12	30	53	27	25	18	19	29	33	280
Intermediate non-manual	79	28	104	178	69	70	67	66	108	58	828
Skilled manual	14	30	153	264	117	113	75	74	97	31	968
Service worker	17	13	71	134	55	72	57	36	96	41	592
Semi-skilled manual	—	13	90	168	68	77	66	51	82	40	663
Unskilled manual	14	16	84	196	92	128	83	140	208	157	1,119
Residual	13	—	23	31	21	27	19	100	332	115	684

Chapter 5

INCOME ADEQUACY AND POVERTY: A SOCIAL CLASS AND FAMILY CYCLE ANALYSIS

This chapter extends our investigation of the combined effects of class and family cycle on income inequality by introducing an explicit standard of need. Income inequality is expressed in Chapter 5 through the contrast between a household's income and our estimate of the "minimal" income required to meet its basic consumption requirement. This is one approach to the measurement of poverty. Class categories and family cycle stages will be compared using the proportion of households whose incomes are inadequate for their needs, rather than average incomes. In so doing, we are also presenting comparisons based on equivalent income — incomes adjusted to a single standard of household composition.

The rationale for this approach is the insight into the characteristics of households at the bottom of the income distribution in Ireland which we hope to gain — to concentrate on those households in which the income inequalities we have described are oppressive facts of everyday life. Social class and family cycle are in our opinion, explanatory factors in the existence and the distribution of poverty. State programmes to alleviate poverty thus operate in a manner that can be highlighted by what we have learned about the role of class and family cycle. So we wish to identify those combinations of social class and family cycle — say, working class families with growing families — in which the risk of being poor is greatest. By translating that risk into rates of incidence of poverty — the percentage of all poor households a particular combination represents — the magnitude of the problem represented by a particular type of poverty can be seen.

We begin, however, with a discussion of our approach to the study of poverty.

Income Adequacy and Poverty

> The fairly recent memories of children without shoes, of widespread insanitary housing, and of malnutrition define for many what it is to be poor. The last twenty years of accelerated economic development have dulled sensitivities to the inequities which have survived that process.
>
> *Magill*, April, 1980

For some, poverty is to be equated with destitution, with underfed children and pathetic parents struggling daily to simply maintain their family's survival. A suggestion that a poverty problem persists despite the profound economic changes of the past two decades will doubtlessly be queried. "But *where are the poor?*" Poverty in Ireland today does not typically manifest itself as the destitution of former times — yet it exists, more complex than hitherto. So a careful specification of what we mean by poverty is essential.

There is not, and cannot be, a definition of poverty applicable to all societies and all situations. It is a concept applicable to an array of circumstances and conditions; it takes on meaning only within the terms of reference of a particular investigation. We define poverty as a lack of income relative to need. So our concern is with income adequacy, not with defining a level of income commensurate with destitution; and adequacy is measurable only within the relative perspective of current societal conditions.

The households we wish to isolate for study are those in which an adequate income is problematic, with the level of available income highly sensitive to changes in the household's circumstances. Such households are constantly "at risk" of being unable to meet their requirements, and we are interested in the impact of state policy on the proportion of households within the various social classes and family cycle stages which can be so described. The most important choice for the researcher, therefore, is that of the standard of need that a household's income must exceed to be judged adequate.

Since our definition runs counter to the common sense images many people have of poverty and the poor, we first provide the rationale for our approach and then for our standard of need.

Defining Poverty

The history of social science methodologies for establishing the level of poverty in a society can be condensed, not without loss, to pre-1960s and post-1960s orthodoxies. Empirical studies of poverty have their roots in the work at the turn of the century of Booth and Rowntree, the founders of what is termed the "absolute" approach to the study of poverty. Booth calculated a poverty line to apply in his surveys of household income, deriving the proportion of the population that could be defined as "poor". Rowntree went a step further by differentiating "primary poverty" from "secondary poverty"; two poverty lines are therefore required. The first poverty line is an assessment of the cost of maintaining a basically nutritious diet; those unable to do so were in primary poverty, with an income commensurate with mere subsistence. The second poverty line allows for the cost of maintaining a basically nutritious diet and for the purchase of certain other minimal living requirements (clothing, bus fares, etc.) and those unable to maintain that standard were deemed

to be in secondary poverty. The greater realism of this second approach will be readily appreciated.

These approaches to research on poverty assumed the existence of an absolute cut-off point, which could be empirically established, according to which households could be defined as either in or out of poverty.

An absolute poverty line seemed viable as long as poverty was considered a readily identifiable problem. However, as society became more differentiated and certainties eroded, such an approach was no longer regarded as an appropriate tool of measurement on its own. In the so-called "rediscovery of poverty" during the 1960s, the concept of poverty came to be used in a more sophisticated, and complicated, manner. Poverty was henceforth defined as a relative concept, lacking a rigid boundary. This usage and its operational specification in research were most influentially explored in the work of Townsend, who asserts:

> Our general theory, then, should be that individuals and families whose resources, over time, fall seriously short of the resources commanded by the average individual or family in the community in which they live, whether that community is a local, national, or international one, are in poverty (Townsend, 1962, p. 225).

In his mammoth study, *Poverty in the United Kingdom,* Townsend (1979) employs three distinct standards for measuring poverty. The first is the poverty level implicit in the state's social welfare arrangements, an official poverty line which takes its rationale from its parliamentary sanction. A second approach is the "relative income standard of poverty" which ranks households in terms of their income and adopts some percentage of the average (e.g., 50 per cent) below which households are defined as in poverty. However, Townsend concentrates on his third approach, a "relative deprivation standard of poverty," in which "descending the income scale, it is hypothesised that, at a particular point for different types of family, a significantly large number of families reduce more than proportionately their participation in the community's style of living. They drop out or are excluded. These income points can be identified as a poverty line" (Townsend, 1979, p. 249).

This third approach gave rise to what Townsend termed a "deprivation index"; how a household stands relative to others on a scale of deprivation. Construction of such an index, however, requires a substantial array of data on standard of living; Townsend applied his definition to a specially designed survey.

Like most researchers on the topic of poverty, we have information available on income and expenditure patterns but we lack insight into the detailed living

conditions of households. In this study, then, we cannot apply Townsend's relative deprivation standard of poverty. But we wish to maintain "relativity" in our definition of poverty. By operationalising poverty as inadequacy of income relative to need and by linking need to societal standards, we can retain the essentials of Townsend's concept.

Need, Income, and Standards of Adequacy

The precedent closest to us in objectives and data availability is The Royal Commission on the Distribution of Income and Wealth's Background Paper No. 5, *The Causes of Poverty* (Layard *et al.*, 1978). Need is expressed as a statutory poverty line implicit in the Supplementary Benefit (SB) scheme; that "need" is compared to income using the 1975 General Household Survey. The major limitations of an absolute cut-off point are avoided, as the standard of need is calculated separately for each household based on its composition and circumstances. A given income to need ratio can thus reflect a variety of household situations. Flexibility is also enhanced by the use of a range of cut-off points above and below SB entitlements. By including such a range the research — and the reader of the resulting report — can judge the consequences of adopting any one line.

The seven income to income need ratios used by Layard and his colleagues, which we will also use, are: (1) incomes at or below 100 per cent of SB entitlements; (2) between 100 and 120 per cent; (3) between 120 and 140 per cent; (4) between 140 and 200 per cent; (5) between 200 and 250 per cent; (6) between 250 and 500 per cent; and (7) incomes more than 500 per cent of SB entitlements.

Our main problem was to select the statutory base-line appropriate to the Irish context. Like Layard and others we assume that the structures and administration of a social welfare system are a reflection, at least in part, of state policies on income maintenance and income distribution. In 1973, as now, a three-tier social welfare system operated in Ireland. The bottom tier was the scheme of last resort — Home Assistance. The next level is comprised by Assistance payments and the highest level by payments of Benefits. For ease of exposition, the Unemployment Assistance scheme may be taken to represent all payments in the middle tier and Unemployment Benefits all payments at the top tier.

Our basic choice was which tier provides the appropriate benchmark. We sought a definition of need broadly comparable to the Supplementary Benefit scale rates used by Layard *et al.* (1978). In 1973 the Home Assistance Scheme in Ireland filled a role similar to the SB scheme in Britain — the scheme of "last resort", providing an immediate response to need or a supplement for other income provision by the state. There were, however, significant differ-

ences in the operation of the two schemes. SB was administered according to very specific criteria of eligibility for alternative scale rates. The amount of entitlement was determined by qualification on the basis of clearly defined need. By comparison, criteria for administering the Home Assistance scheme in Ireland in 1973 were not clearly defined: the amount of money payable to any particular applicant was at the discretion of the Assistance Officer. A means test was administered, but the test was not standarised. In practice, the Unemployment Assistance payments scale for rural residents appears to have constituted an implicit reference point when officers made their decisions. It was not necessarily assumed that Home Assistance would be the sole source of income (Carroll and Elliott, 1977): payment of Home Assistance was not expected or intended to provide full support for claimants. An assumption of other financial support — usually from family or friends — gave rise, we believe, to payments below subsistence level. The Home Assistance scheme is not an appropriate base for use in our attempt to operationalise the concept of need.

The middle tier of social welfare programmes is embodied in Unemployment Assistance entitlement, which is established through the administration of a means test. Its administration by officials of the Department of Social Welfare may well vary between officers, who continue to exercise discretion in the determination of the "real" means of the applicant, and the level of payment recommended. In contrast, entitlement to Unemployment Benefit (UB), a programme on the higher tier, is a right earned through the payment of insurance contributions. Entitlement and rates of payment are clearly defined. While applicants for, and recipients of, Unemployment Assistance may feel stigmatised, an air of respectability is afforded to recipients of insurance benefits. Benefits tend to be higher than Assistance payments, which reinforce the divide between them. Table 5.1 illustrates the percentage by which UB exceed UA in 1972 and 1973.

Table 5.1: *Percentage by which unemployment benefit entitlement exceeds unemployment assistance entitlement (urban rate) for selected households*

Type of household	*October 1972*	*July 1973*
	per cent	
Single adult	21.6	18.3
Married couple	16.7	14.4
Married couple + Two children	16.3	13.4
Married couple + Three children + One adult dependent*	15.2	12.6
Married couple + Five children	18	14.2

*Dependent adult rate taken as: rate for person with adult dependant — Person without dependant (this applied only for unemployment assistance scales)

In deciding between UB and UA as a base from which to calculate poverty lines an important consideration was the extent to which each could be accepted as reflecting the concept of a subsistence income as employed by the state. In a recent study Seamus Ó Cinnéide (1980) makes the point that on their introduction in 1933 there was no suggestion that UA rates were in any way adequate as a replacement income, rather that "the total cost of the measure now before the Dáil is estimated to reach the maximum limit of the amount which can be provided for this purpose" (*Dáil Debates,* Vol. 49, Cols. 1664, 1774, 27 Sept. 1933). The fact that changes in the level of payment within this scheme have been based on a framework which was not envisaged as replacement income raises serious questions about the appropriateness for our purpose of more recent rates of payment.

Work in progress by Hughes (1980) on the origins of the Unemployment Benefits scheme suggests that both the original benefit levels and subsequent modifications to them offer a more reasonable standard. The original levels were set by a rational decision-making process — not the haphazard approach sometimes imagined. In particular, a link with the 1942 *"Beveridge Report"* is likely, establishing a base according to which post-war Benefit structures were constructed for Ireland. Certainly there is a basic stability over that period in the relativities between benefit levels and the average industrial wage that makes sense in these terms.

It is also clear that the pre-1974 flat-rate benefits were officially viewed as being, in the words of a former Minister for Social Welfare, set so low as to not "enable insured persons to maintain anything approaching their accustomed standard of living during longer periods of sickness or unemployment" (*Dáil Debates,* 21 November, 1971, Col. 2049; cited in Hughes, 1980).

On the basis of the above considerations, the UB scales obtaining in October, 1972 were adopted as the index of need, with a household's composition — the numbers and ages of household members — used to establish entitlements.[1] We also make use of the seven divisions of income to need ratios

[1]Taking a single adult without dependants as the standard, the following implicit adult equivalence weights derive from the Unemployment Benefits scheme: a married couple, 1.68; the first two children under the age 15, .24; all other children under age 15, .18; a child over 15 or other adult dependant, .68. Roche (1980: Appendix D) using the Unemployment Assistance rural rates obtaining in July 1973 and adding children's allowances where appropriate, adopted a rather different weighting: married couple, 1.75; each child under 18, .45; and children over 18 and other adults, .75. In practice, all equivalence scalings narrow the income distribution at the lower end, though differences in the weights given to children have more effect than differences in those for single adults (Royal Commission on the Distribution of Income and Wealth, (1978) Report No. 6, p. 173). While the approach taken by Roche contrasts with our own in that his higher weights for children act to increase the number of households with incomes below a threshold and to increase the proportion of such households which have children, the net impact is counter-balanced by the different treatments given to children's ages. It should, however, be stressed that the choice of equivalence scales affects both the numbers found to be in poverty *and* the composition of the "poor" households. Roche tested the sensitivity of his results to variation in the choice of weights for children. By reducing the weight for children less than six to .25, the overall number of households defined as poor fell by about seven per cent, but the number of households with children in poverty by about 16 per cent (Roche, 1980, Appendix D.4) (See Kennedy, 1981 for a discussion of the implications of alternative weights using Irish data.)

presented in *The Causes of Poverty* to permit flexibility in the presentation and interpretation of different need levels.

In contrast to the decisions required to establish a measure of need, the adoption of a standard income variable was more straightforward — disposable income as stated in the Household Budget Survey. While disposable income is the standard income variable used, we also present estimates of direct income. The difference between direct and disposable income is a measure of the net effect of state taxes and transfers for particular households. (Unlike Layard *et al.*, (1978) we did not subtract imputed rent and rent from disposable income, a procedure that, in effect, reduces the incomes of homeowners.)

Poverty is defined here as "inadequate income relative to need". Income is the disposable income actually received by a household, and need is the amount of income deemed adequate for that household according to the scales implicit in the calculation of Unemployment Benefit entitlement. Such a weighting, of course, reflects a variety of concerns. In particular, it is likely that the UB rates will lead us to underestimate the needs of families with a large number of child dependants and to overestimate the needs of childless families: concern over work incentives acts to minimise benefits paid for children so that large families will not be better off financially out of work than at work.

Implementing our approach did pose some difficulties. The 1973 Household Budget Survey was carried out by interviews from November, 1972 until October, 1973. Inflation and social policy changes therefore impinge on comparability of households in the sample. In July, 1973 new Unemployment Benefit scales replaced those obtaining when data collection had commenced, and 42 per cent of households in the sample were interviewed *after* the scales we used were changed (Roche, 1980: Appendix H.1). Like Roche, we believe that maintaining a consistent standard outweighs whatever disadvantages accrue from the change in the implicit official definition of minimal required income. The 1972 scales were therefore used throughout, the objective being a standard by which each household could be assessed relative to all households in the nation. Such a preference is inherent in the Unemployment Benefit scheme which, as a contributory scheme, treats all households as varying in need only on the basis of composition.

The implications of the choice of the 1972 scales can be assessed in Table 5.2, which provides the weekly benefits that would be paid to five alternative household compositions. If the 1973 rates were applied, the cut-off points would be about 20 per cent higher. Our decision is thus conservative, as it uses the lower of the two standards to establish the level of need for which income must be adequate. Further practical implications can be seen by

Table 5.2: *Actual 1972-73 unemployment benefit entitlements: selected household compositions*

Type of household	*Cut-off points for relating income to unemployment benefit*														
	100% (a)		*120%*		*140%*		*200%*		*250%*		*500%*		*% diff. June - July*	*Av. Ind. Wage (b)*	
	Oct '72 - June '73	*July 1973*	*Oct '72 - June '73*	*July 1973*	*Oct '72 - June '73*	*July 1973*	*Oct '72 - June '73*	*July 1973*	*Oct '72 - June '73*	*July 1973*	*Oct '72 - June '73*	*July 1973*	*1973*	*1972*	*1973*
	£	£	£	£	£	£	£	£	£	£	£		%	£	£
Single adult	5.55	6.55	6.66	7.86	7.77	9.17	11.10	13.10	13.88	16.38	27.75	32.75	18	23.75	28.56
Married couple	9.30	10.80	11.16	12.96	13.02	15.12	18.60	21.60	23.25	27.00	46.50	54.00	16	23.75	28.56
Married couple + 2 children	12.00	14.50	14.40	17.40	16.80	20.30	24.00	29.00	30.00	36.25	60.00	72.50	21	23.75	28.56
Married couple + 3 children + 1 dependent adult	16.75	20.25	20.10	24.30	23.45	23.35	33.50	40.50	41.88	50.63	83.75	101.26	21	23.75	28.56
Married couple + 5 children	15.00	19.00	18.00	22.80	21.00	26.60	30.00	38.00	37.50	47.50	75.00	95.00	27	23.75	28.56

Source (a): Report of the Department of Social Welfare, 1972-'75, Table 43 — maximum rates of benefit

(b): Statistical abstract of Ireland 1972-'73. Table 112, average of weekly earnings of all industrial workers in industries producing transportable goods

comparing the average industrial wage for 1972 and 1973, provided in the right hand side of Table 5.2, to the cut-off points adopted.

In analysing the distribution of income inadequacy, the 14 class categories will be aggregated into four groupings which in our view represent social classes: white collar (professionals and intermediate non-manual workers), working class (skilled manual, service workers, semi-skilled manual, and unskilled manual), proprietorial (large proprietors and small proprietors), and farm households. The latter grouping is for some purposes treated as a sector and for others divided into two groups, with large and medium farmers combined and small and marginal farmers combined, representing class differences. The circumstances of the elderly will be highlighted by a modification to the family cycle variable. Households in Stages 9 and 10, "Empty Nest" and "Old Single", will be subdivided into "a" and "b" subcategories, with the former including all households in which the head is younger than 65 and the latter subcategory all households in which the head is age 65 or older.

An Analysis of the Distribution of Poverty

In the analysis that follows, we examine the distribution of inadequate household incomes along the vertical dimension of social class and the horizontal dimension of family cycle. The interaction of social class with family cycle effects is of particular interest.

Table 5.3 gives the cumulative frequency distribution for the ratios of UB entitlements to direct and disposable income, by intervals of 0.50. Though the medians (the standard way of indicating the central tendency in such information) are close — 2.28 for direct and 2.31 for disposable incomes — the impact of state transfers at the lower income levels is manifest: 16 per cent of households have ratios of less than 0.5 for direct income and 1.3 per cent for disposable income. The impact on higher incomes is not apparent in this table, partially because taxation does not have an equally dramatic effect and partially because of the table's format. However, the medians provide a useful benchmark to be used when comparing family cycle stages or social classes. It is also a useful basis for making comparisons with other countries. Using the US Social Security Administration's poverty line, based on minimal consumption requirements for a particular household, Plotnick and Skidmore (1975, p. 43) found a median "welfare ratio" of 2.25 based on 1965 data.

Table 5.3 provides another view of two aspects of inequality that were of particular interest in earlier chapters. By expressing income relative to need we can see even more clearly than before what it means to be at the bottom of the income distribution. The earnings of 22 per cent of all households would not be sufficient to provide a weekly income equivalent to what is provided to recipients of Unemployment Benefits. We know from data shown previously

that in fact many of those households lack any inflow of earned income, and are thus financially dependents on the state. A second basic theme of this paper, re-distribution through state interventions, is also highlighted by Table 5.3. The provision of transfer payments has a dramatic effect on the financial well-being of households at the very bottom of the income distribution. But that effect is obviously incomplete. One household in twelve has a disposable income less than it would be entitled to under the Unemployment Benefit scheme; and 1.3 per cent of households appear to be in dire circumstances indeed, with less than half that entitlement.

Table 5.3: *Household income relative to unemployment benefits: cumulative percentages*

	Type of Income	
Ratio of income to UB below	*Direct*	*Disposable*
.5	15.7	1.3
1.0	22.1	6.8
1.5	30.9	22.8
2.0	42.6	39.4
2.5	55.7	56.6
3.0	66.1	69.4
3.5	73.9	78.5
4.0	80.5	84.7
4.5	85.0	89.1
5.0	88.5	92.4
5.5	91.3	94.3
6.0	93.4	95.6
6.5	94.9	96.6
7.0	95.9	97.3
7.5	96.6	97.8
8.0	97.2	98.1
8.5	97.7	98.5
9.0	98.1	98.8
9.5	98.4	98.9
10.0	98.7	99.1
Over	100.0	100.0
Median Ratio for All Households	2.28	2.31
	N = 7733	

Table 5.4 groups the sample households by the seven categories of income to need ratio. (The information is abstracted from Appendix Table 5.1.)

Table 5.4: *Household income as a percentage of unemployment benefits entitlements: (percentages of all households: N = 7,655)*

	Income as a percentage of UB entitlements							
	100 or less	*100-120*	*120-140*	*140-200*	*200-250*	*250-500*	*Over 500*	
Direct income	22.2	3.1	3.7	13.7	13.1	32.8	11.5	100.0
Disposable income	6.8	6.7	6.4	19.6	17.3	35.7	7.6	100.0

Though the median ratios cited previously differed little for the two types of income, the dispersion shown in Table 5.4 is distinct. Both direct and disposable income are presented; the re-distributive effect of state taxes and transfers is indicated by the difference on the percentage of households below the cut-off points.

The distribution of disposable income as revealed in Table 5.4 is such that 6.8 per cent of households have disposable incomes at the level of 100 per cent or less of the Unemployment Benefit entitlement level. Such households are likely to live in circumstances that few could deny constitute poverty. Between 100 per cent and 120 per cent we find 6.7 per cent of all households and between 120 per cent and 140 per cent, 6.4 per cent of all households. The total of 19.9 per cent with disposable incomes less than 140 per cent of UB rates obviously covers a diversity of situations and levels of deprivation. Table 5.5 summarises, from Appendix Tables 5.2, 5.3, and 5.4 the distribution of households in each social class among those levels.[2] The concentration of households in poverty is most acute for farm households: more than one in four home disposable incomes below UB rates.

Table 5.5: *Household disposable income as a percentage of unemployment benefit entitlements for white collar, working class and farm households*

	Percentages of households							
	100 or less	*100-120*	*120-140*	*140-200*	*200-250*	*250-500*	*Over 500*	
								per cent
White collar	2.0	1.4	1.5	8.3	10.7	59.1	16.9	100.0
Working class	4.4	6.6	6.5	24.0	23.3	33.5	1.6	100.0
Farm	11.2	5.1	8.2	21.0	14.7	29.5	10.3	100.0

[2]The number of proprietorial households in the sample was too small to allow construction of a similar appendix table.

The first three ratio categories are rather sparsely populated, with their sum being roughly the same as the proportion of households found in the next category, 140-200 per cent. We have chosen to select as our main definition of inadequate income a cut-off of 140 per cent of Unemployment Benefit scheme entitlements. In our judgement, such households are those whose circumstances and problems we wish to highlight. The 140 per cent cut-off was also used by Townsend (1979, p. 249) and by Layard *et al.*, (1978).

The meaning of alternative ratios for the relative positions of households can be examined through data on expenditure. The greater the proportion of household expenditure devoted to essentials such as food, clothing and shelter (especially food), the greater the likelihood that a household is experiencing financial hardship.

Table 5.6 shows the proportion of total expenditure that is spent on food and other essentials of clothing and housing. The proportions are highest for the first three categories i.e., up to the 140 per cent ratio. This information is supplemented by Figure 5.1, which charts the expenditure data for a full range of income to unemployment benefit entitlement ratios, at intervals of 0.50. From Figure 5.1 we see that when household income is between 0.5 times and 1.5 times UB entitlement, the proportion of total expenditure spent on food alone and the combined total of expenditure on food and clothing and housing is at a peak. More than two-thirds of total expenditure is diverted to the purchase of absolute essentials — more than 40 per cent on food alone.[3]

Table 5.6: *Adult equivalent expenditure on essentials by disposable income to UB entitlements ratio*

Ratio	£ *I* *Food*	£ *II* *Clothing*	£ *III* *House*	£ *IV* *I + II + III*	£ *V* *Total expenditure*	*IV % V*	*I % V*
						per cent	
100 or less	4.39	1.19	1.33	6.91	10.57	65	42
100-120	3.78	0.61	1.51	5.90	8.50	69	44
120-140	4.32	0.94	1.47	6.73	10.29	65	43
140-200	4.95	1.42	1.55	7.92	12.83	62	39
200-250	5.24	1.68	2.04	8.96	15.55	58	34
250-500	5.89	2.02	2.71	10.62	20.43	52	29
Over 500	6.98	2.42	3.78	13.18	29.37	45	24
All households	5.33	1.66	2.20	9.19	16.68	55	32

[3]The severity of poverty as portrayed by the expenditure data in Figure 5.1 poses a problem of interpretation: the households with, by our definition, the least adequate incomes have expenditure patterns and levels that are inconsistent with their presumed plight. This is partly a reflection of the concept of income used in the Household Budget Survey: loans, withdrawals from savings, and the sale of personal possessions may be used for expenditure but do not qualify as income. A variety of circumstances may result in a household being without income when surveyed and yet having the financial resources to make purchases. It is a situation that represents a particular type of poverty, that which is attributable to a typical family circumstances which may prove of short duration. But the households with the very lowest disposable income to need ratios also represent the diversity of situations that always congregate at the extremes of a distribution, and thus their "average" situation should be interpreted with caution.

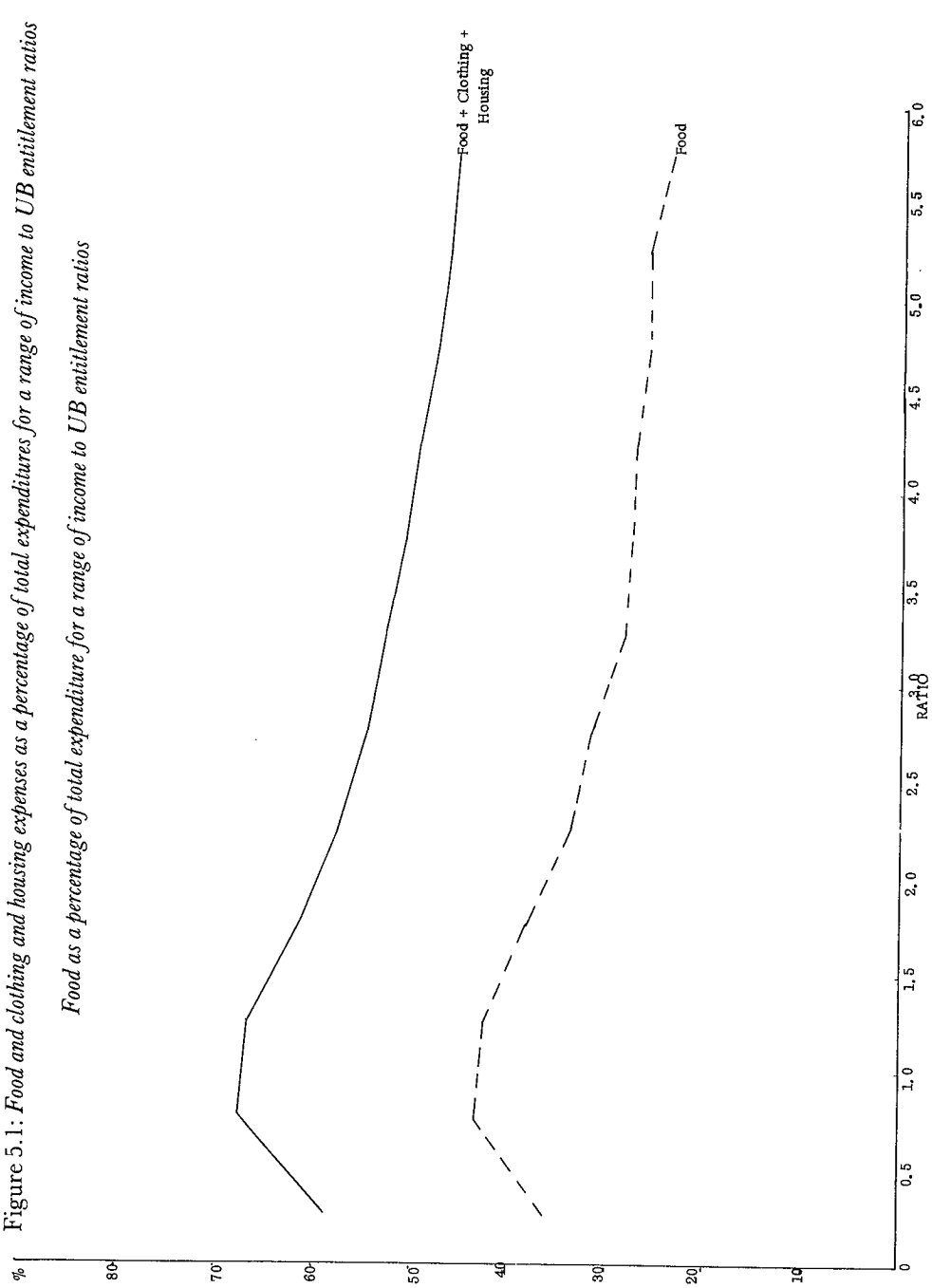


Figure 5.1: *Food and clothing and housing expenses as a percentage of total expenditures for a range of income to UB entitlement ratios*

Food as a percentage of total expenditure for a range of income to UB entitlement ratios

In the analysis that follows, primary attention will be given to the poverty line we have adopted: 140 per cent of a household's Unemployment Benefit entitlements. That definition, in our opinion, captures the diversity of household situations that merit particular attention for the chapter devoted to poverty in a study of income inequality. Alternative cut-off points of 100 and 120 per cent can be used by reference to the appendix tables; the work of Roche (1980) offers the reader access to an analysis of the distribution of poverty in Ireland which is based on Unemployment Assistance scales.

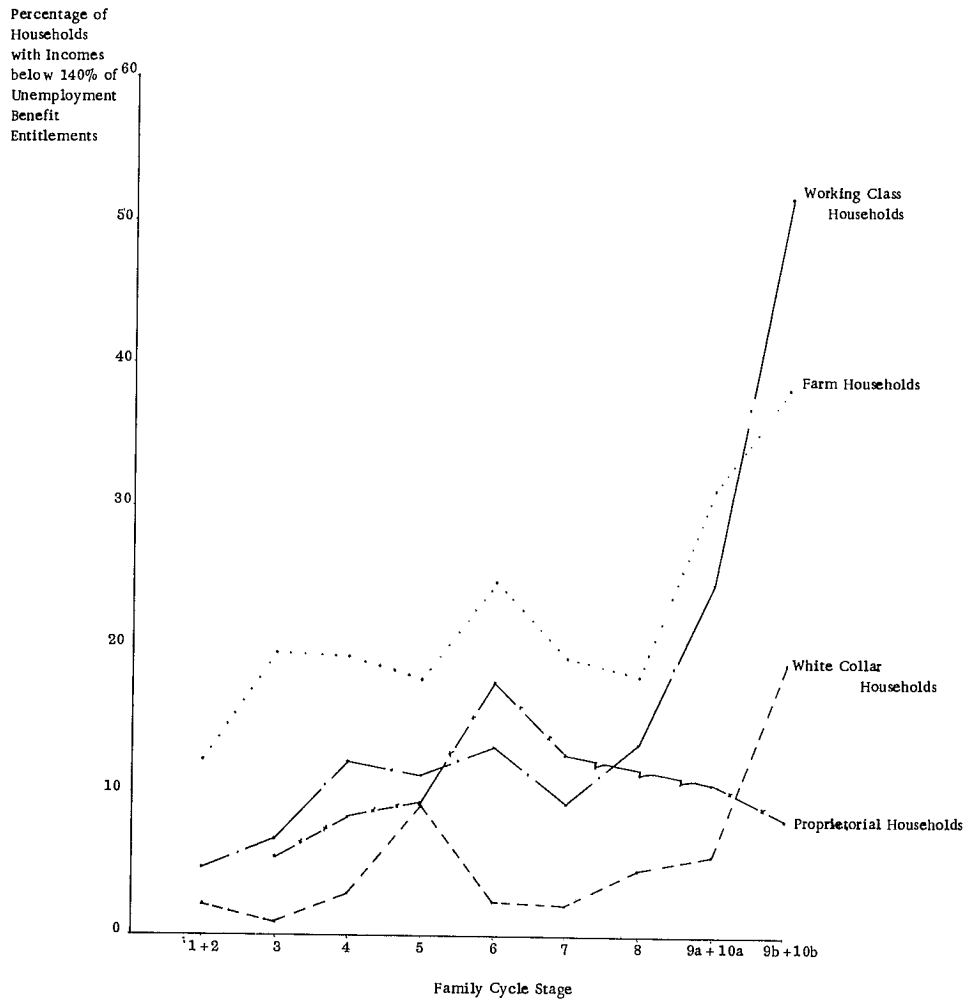
An Analysis of Poverty by Social Class and Family Cycle

This analysis concentrates on two issues: the location of poverty, as indicated by the ratio of a household's disposable income to its Unemployment Benefit entitlements, and the efficacy of the re-distributive role of the state, as manifest in the contrast between the ratios for direct and disposable incomes in a household. When all households were considered, undifferentiated by class or family cycle stage, the impact of the state was obscured. Direct and disposable incomes were found to have nearly identical median ratios. The first step in the analysis, therefore, is to discover what that aggregate analysis conceals. This is made possible in Table 5.7 in which averages for the two ratios are shown separately for the 14 social class categories. Though the differences between categories and types of income are proportionate to what would be found using actual income amounts adjusted by adult equivalence scales, the medians are the most relevant specification for the study of income adequacy.

Table 5.7: *The ratio of household income to unemployment benefit entitlement: medians for the 14 class categories*

	Household income	
Class category	*Direct*	*Disposable*
Large proprietor	4.53	4.25
Small proprietor	2.50	2.42
Large farmer (› 100 acres)	3.50	3.57
Medium farmer (50-100)	2.74	2.83
Small farmer (30-50)	1.96	2.16
Marginal farmer (‹30)	1.12	1.62
Higher professional	4.94	4.21
Lower professional	4.34	3.81
Intermediate non-manual	3.34	3.04
Skilled manual	2.50	2.40
Service workers	2.40	2.33
Semi-skilled manual	2.21	2.16
Unskilled manual	1.63	1.86
Residual	0.40	1.35

Figure 5.2: *Households with incomes below 140 per cent of unemployment benefit entitlements: percentages by family cycle stage and social class (disposable income)*



Among households deriving income primarily through property ownership, the differences between direct and disposable incomes are slight if negative (with disposable income less than direct) or are positive. For marginal property owning categories in agriculture, the importance of state transfers is obvious. In households categorised as small farmers, the increment to the median is 10 per cent; with marginal farmers, the change is an additional 45 per cent. In the latter category, the median household has a ratio of 1.62. Were it not for state transfers, the median household would be only marginally above the level of income provided to Unemployment Benefit recipients.

Among households mainly dependent on wage employment, there is also a diversity in the medians, and in the difference between the two types of income. The medians show a gradation that makes sense in terms of a boundary between manual and non-manual workers, and in terms of the skill differentials within each side of that divide. All three white collar groups are, in aggregate, re-distributing income to other groups: when taxes and transfers are taken into account, the median is reduced 15 per cent for higher professional households, 12 per cent for lower professional households, and 9 per cent for intermediate non-manual workers. Smaller reductions in the median result for all manual workers except the unskilled, for whom the median rises from 1.63 to 1.86. For the residual category, in which households frequently lack any direct income, the results of transfer payments is to bring the median to just below the line adopted for measuring poverty.

Horizontal inequalities, as manifested in the risk of being without an adequate income, are measured here through changes over the family cycle. Of course, our data base limits the analysis to a cross section, from which inferences are made to the process of change that occurs as households move from formation stages through the stages of expansion and then contraction in size, and ultimately to the stage at which the couple is again on its own.

Table 5.8 summarises the distribution of households in poverty by family cycle stage, for all households and for the four main groupings of social classes: white collar, working class, farm, and proprietorial. (The distribution can be examined more conveniently in Figure 5.2). Again, percentages are computed for direct and disposable household income. That differentiation makes clear the circumstances of households most likely to correspond to our definition of poverty, with high levels concentrated in households comprised of the elderly, and also in the middle stages of the family cycle. Indeed, gaps between the amount of income received by household members and household need as represented by a household's composition are bridged most adequately in Stages 4, 5, 7, and 8, based on the proportionate addition made by state transfers. At the middle stages of the family cycle, with the size of the household expanding or "complete", state actions reduce the numbers with inadequate

Table 5.8: *Households with incomes below 140 per cent of unemployment benefit entitlement: class and family cycle comparisons*

	All households			*White collar households*[1]			*Working class households*[2]			*Farm households*[3]			*Proprietorial households*[4]		
	Type of income			*Type of income*			*Type of income*			*Type of income*			*Type of income*		
Family cycle stage	*Direct*	*Disposable*	*N*	*Direct*	*Disposable*	*N*	*Direct*	*Disposable*	*N*	*Direct*	*Disposable*	*N*	*Direct*	*Disposable*	*N*
1 & 2	10.1	6.4	455	3.3	2.2	181	5.6	4.8	126	21.7	12.3	106	—	—	24
3	10.8	7.7	811	1.4	1.0	201	9.1	6.8	401	26.8	19.8	123	2.5	5.5	63
4	18.5	11.4	1,434	3.3	3.0	330	19.4	12.2	764	36.0	19.5	204	10.8	8.3	105
5	20.4	12.5	687	9.8	9.1	133	18.6	11.1	335	31.0	18.0	138	15.2	10.0	60
6	22.7	17.1	844	7.5	2.4	139	19.7	15.8	393	33.1	24.9	215	20.0	17.8	70
7	18.3	12.0	596	4.6	2.1	105	15.4	9.2	285	28.6	19.5	152	17.8	12.7	33
8	31.2	16.3	650	10.3	4.7	97	28.1	13.5	302	28.9	18.3	138	—	—	12
9 a & 10 a	38.2	28.8	1,082	7.7	5.6	142	31.9	25.4	351	44.2	31.3	396	15.6	10.9	64
9 b & 10 b	69.7	49.6	1,096	31.6	19.1	136	77.6	51.7	406	59.0	38.5	195	21.6	8.1	37
All households	29.0	19.9	7,655	7.5	4.9	1,464	26.3	17.5	3,364	37.2	24.5	1,668	13.8	10.6	469

[1]Higher professional, lower professional and intermediate non-manual households.

[2]Skilled manual, service workers, semi-skilled manual and unskilled manual households.

[3]All farm households.

[4]Large proprietors and small proprietors.

income by nearly 40 per cent. An equivalent or greater difference is found at the dispersal family cycle Stages, 7 and 8, in which most children have left the household.

Table 5.8 also provides comparable percentages of households in poverty separately for each of the four main groupings of social class: white collar, working class, farm, and proprietorial. Of these, all but the farm households correspond to a social class division. First, the percentage in poverty for all households in a grouping should be examined to provide the benchmark for comparisons. The variation present is considerable, ranging from 24.5 to 4.9 per cent.

The percentages of households without adequate disposable incomes are: white collar, 4.9; working class, 17.5; farm, 24.5; and proprietorial, 10.9. The impact of state interventions is considerable. Without intervention the percentages of household for the four categories would have been 7.5, 26.3, 37.2 and 13.8, respectively, found for direct income. Overall, the reductions do not change the inequalities among the categories, though the reduction effected in proprietorial households is considerably less than the one-third reduction in the other three groupings.

The figures given in Table 5.8 are informative primarily about the percentages of households in specific categories — combinations of social class and family cycle stage — that have inadequate incomes and about the degree to which state transfers mitigate the prevalence of poverty in a category. In terms of social class, the main interest is in differences between property owning and non-property owning households and between white-collar and working class households. These basic differences in market capacity type, of course, conceal variations in resource quality, an influence we will consider later. For the horizontal inequalities of family cycle stages, the interest is chiefly in three contrasts: family formation stages, those stages in which the family size is essentially complete, and the stages of dispersal. The gap between households headed by the elderly and other households is of particular importance, as it represents an aspect of financial well-being other than the size of earned income — security of income.

We have examined the risk of being in poverty. To policy makers, it is equally important to know the magnitude of the problem, the risk level in a particular class/family cycle combination represents. If the risk is high, but the number of households affected is small, the problem is of a different dimension than that resulting from low levels of risk for categories that translate into a substantial number of households in need. The incidence of poverty for a group is the percentage that its poor households comprise of all households in poverty.

Table 5.9: *Households with incomes below 140 per cent of unemployment benefit entitlements: risk and incidence of poverty by social class and sector*

Social group	*Percentage poor (Risk of poverty)*	*Per cent of poor households (Incidence of poverty)*
White collar households	4.9	4.7
Working class households	17.5	38.7
Farm households	24.5	26.8
Proprietorial households	10.6	3.3
Residual	58.3	26.5
All households	19.9	100

Table 5.9 compares the risk of poverty with the incidence of poverty for the main social class groupings and for the residual class category. It is for working class households and within the residual category that the greater difference emerges — the incidence of poverty for the working class is *twice* as high as the risk of poverty for that group while this *risk* is double the incidence for the residual category. Table 5.10 below looks at these differences for each social class across the family cycle. Some significant differences between risk and incidence are found for stages of the family cycle and across social classes. For example, at the "complete" stage we see that 5.7 per cent of all poor households are to be found, while 16.7 per cent of poor white collar households and 1.5 per cent of poor residual households fall into this category. This compares with 12.5 per cent of all "complete" households, 9.1 per cent of white-collar households and 28.6 per cent of residual households experiencing poverty. It is important, therefore, that we consider both the *risk* and *incidence* of poverty for households in any particular social class or at any particular stage in the family cycle if we are to get a complete picture of the poverty position of those households. Also, we need to look at class and family cycle in tandem: the late stages of the cycle, for example, represent high risk *and* incidence of poverty, but with very significant variations by social class.

Disaggregations: Working Class Employees and Farmers

For categories of employees, there are the differentials in market capacity not accommodated in the white collar/manual divide: levels of skill or qualifications and the associated probability of not being in employment. Specifically, Table 5.8 merges households with heads in full-time employment with other households in which there may be no individual receiving a direct income. Therefore, it is useful to disaggregate further, and this is done in

Table 5.10: *Households with incomes below 140 per cent of unemployment benefit entitlements: risk and incidence by social class and family cycle*

Family cycle stage	*All households*		*White collar*		*Working class*		*Farm households*		*Proprietorial households*		*Residual*	
	%P	*% of P*	*%P*	*% of P*	*%P*	*% of P*	*%P*	*% of P*	*%P*	*% of P*	*%P*	*% ofP*
1. Young single household	6.4	1.9	2.2	5.6	4.8	1.0	12.3	3.2	8.3	4.0	22.2	1.0
2. Young married	6.4	1.9	2.2	5.6	4.8	1.0	12.3	3.2	8.3	4.0	22.2	1.0
3. Family formation	7.7	4.1	1.0	2.8	6.8	4.6	19.8	6.0	5.5	6.9	26.1	1.5
4. Middle child-rearing	11.4	10.7	3.0	13.9	12.2	15.8	19.5	9.8	8.3	17.4	35.5	2.7
5. Complete	12.5	5.7	9.1	16.7	11.1	6.3	18.0	6.1	9.4	11.3	28.6	1.5
6. Early dispersal	17.1	9.5	2.4	4.6	15.8	10.8	24.9	13.1	17.8	24.9	44.4	3.0
7. Dispersal	12.0	4.7	2.1	3.1	9.2	4.5	19.5	7.3	12.7	8.4	47.6	2.5
8. Two generation adult	16.3	7.0	4.7	6.3	13.5	6.9	18.3	6.1	29.2	7.0	30.7	7.7
9a. 10a. Under 65	28.8	20.5	5.6	11.0	24.8	14.8	31.3	30.3	10.9	14.0	66.7	21.3
9b. 10b. Over 65	49.6	35.7	19.1	36.1	51.7	35.6	38.5	18.4	8.1	6.0	71.4	56.9
All households	19.9	100	4.9	100	17.5	100	24.5	100	10.6	100	58.3	100

Table 5.11. The percentage in poverty overall and at each family cycle stage are given separately for households with heads in employment and those in which the head is not employed. By adhering to a definition of poverty that is based on the Unemployment Benefits scales, poverty should be virtually non-existent where a full-time wage earner is present in a household. Nearly 42 per cent of working class households with heads not in employment have disposable incomes inadequate to meet their needs, based on our measure. This contrasts with the 4.2 per cent for households with employed heads. The proportionate change attributable to state policy is about one-third (from 64 per cent) for households without an employed head and over one-quarter (from 5.9 per cent) for other working class households.

Table 5.11: *Working class households with incomes below 140 per cent of unemployment benefit entitlements: comparisons by family cycle and employment status**

Family cycle stage	*Household head not in employment*			*Household head in employment*			*Per cent of households with head not in employment*
	Direct	*Disposable*	*N*	*Direct*	*Disposable*	*N*	
1 & 2	—	—	8	0.0	0.0	119	6.3
3	54.1	41.5	56	1.6	1.1	345	14.0
4	67.9	44.0	145	8.0	4.7	619	19.0
5	65.3	31.3	60	8.3	6.7	275	17.9
6	52.3	37.8	101	8.5	8.3	293	25.7
7	33.8	18.4	108	4.2	3.6	177	37.9
8	36.6	17.5	228	2.2	1.1	74	75.5
9a & 10a	81.7	67.5	126	4.4	1.8	225	35.9
9b & 10b	85.8	57.3	358	14.6	8.3	48	88.2
All households	63.7	42.0	1,189	5.9	4.2	2,175	35.3

*Head of households *not* in employment are those defined by the CSO as being either "out of work" (unemployed but seeking work; unemployed through illness; and those not yet at work), or "not working" (engaged in home duties; retired; and in full-time education).

The importance of transfer payments is greatest at the middle, child-rearing, stages for households with employed heads and greatest at the late stages for other households (see Table 5.11). Poorly paid workers — at least as indicated by the percentages in poverty among the households with heads in employment — are only slightly affected by transfers at Stages 6 and 7, when income requirements are high, though the effect is more substantial at the family formation stages. Overall at the stage in which poverty is acute among the employed, transfer payments are less than efficient in raising the amount of

income available. In contrast, the importance of transfer payments for augmenting direct income to households without an employed head of household is clear at all stages, though the magnitude of the reduction varies. Poverty is pervasive where the head of household is not employed, whatever measure of income or stage of the family cycle is considered. And the proportion of working class households without an employed head is substantial: 21.6 per cent of all working class households in Stages 3 to 7 do not have a head in employment. Despite rather substantial flows of income via transfer payments into such households, the percentage falling below our poverty line is very high — at the family formation stages over 40 per cent have disposable incomes below their requirements. However, it is clear that for most working class households, the real hardship will come at the later stages.

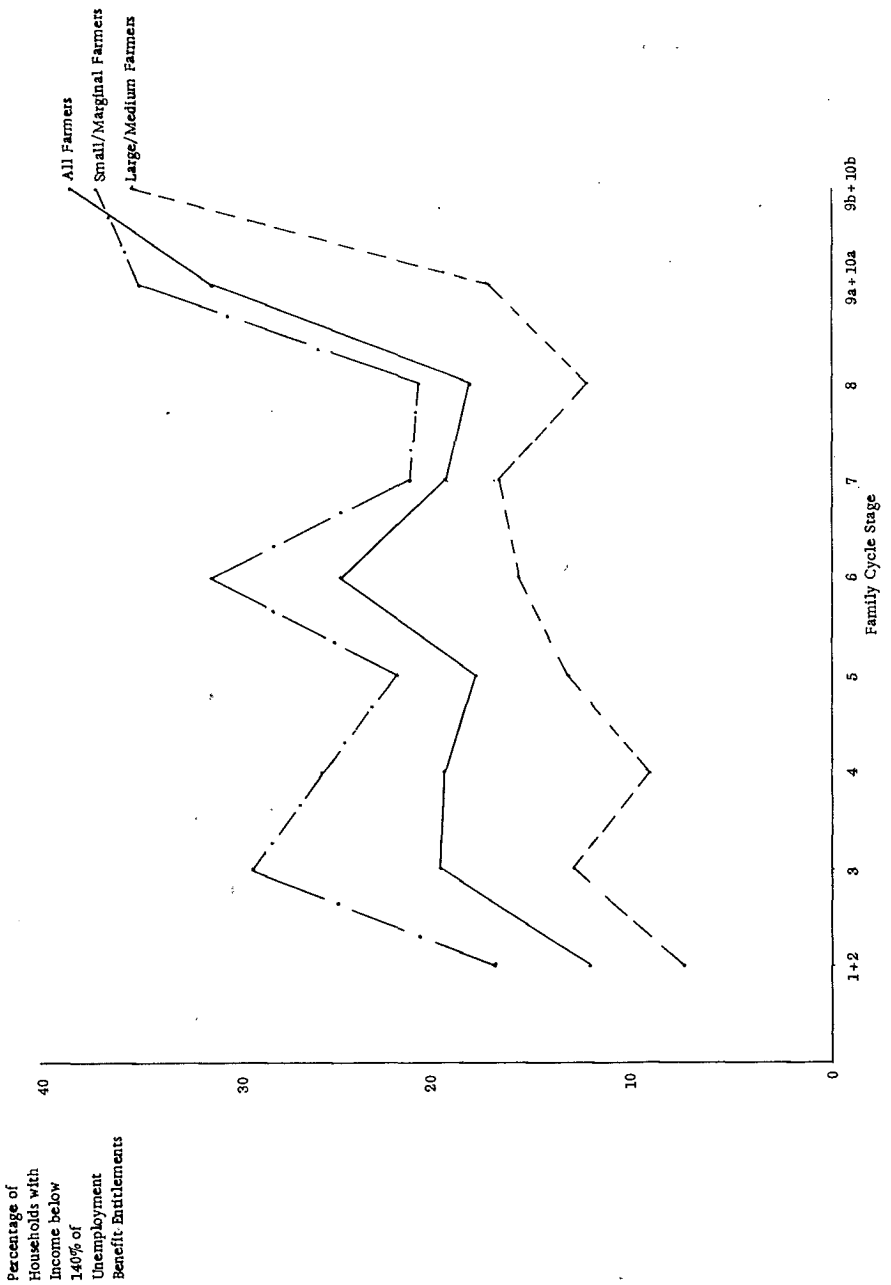
From Table 5.8 it was clear that poverty as we have defined it is most prevalent among farm families: 24.5 per cent have incomes inadequate to their needs; however, this obscures the concentration of poverty within the sector. It will be recalled from Table 5.7 that the median income to need ratios were highly differentiated among farm households according to the resources being farmed, as indicated by the size of farm and the presence or absence of hired labour. If only small and marginal farmers are considered, 29.8 per cent have disposable incomes below the poverty level; 14.9 per cent of medium/large farmers have incomes below our level of adequacy. Moreover, size of farm is associated with different patterns by which state transfers alleviate the precarious situations of households. Without the net tax and transfers effect 37.2 per cent of small/marginal farm households would be below the adequacy threshold; the reduction for large/medium farm households was from 17.4 to 14.9 per cent. Thus, interventions in the form of transfers and taxes substantially reduce the inequalities among farm households.

Disaggregation of farmers by size of resources clearly merit more scrutiny. The distribution of households by family cycle without an adequate income (given at both 100 and 140 per cent of UB entitlements) can be found in Table 5.12, graphically represented for the 140 per cent threshold in Figure 5.3. From Table 5.8 we learned that compared to non-farm sector households those of farmers are receiving the benefits of state transfers in a systematic manner. The pattern is to level the distribution of households with inadequate income across the family cycle. At Stages 3 through 8, about 20 per cent of households are in poverty, in contrast to the less systematic, often cyclical changes recorded in non-farm households. Also, despite the greater prevalence of poverty among farm households, the transition to old age is less abrupt, at least in the relative perspective of other types of households. The risk of being in poverty is greatest after Stage 8, but the contrast to the circumstances that obtained previously is less pronounced than for non-farm households.

Table 5.12: *Farm households with incomes below 100 and 140 per cent of unemployment benefit entitlements: class and family cycle comparisons*

	Large/medium farmers					*Small/marginal farmers*				
Family cycle stage	*100 per cent or less*		*Below 140 per cent*		*N*	*100 per cent or less*		*Below 140 per cent*		*N*
	Direct	*Disposable*	*Direct*	*Disposable*		*Direct*	*Disposable*	*Direct*	*Disposable*	
1 & 2	9.4	1.9	13.2	7.5	53	18.9	5.7	30.2	17.0	53
3	10.9	10.0	14.4	13.0	74	31.5	12.9	44.8	29.4	48
4	5.0	5.0	14.3	9.2	83	37.3	9.3	50.4	25.9	119
5	8.2	3.2	16.7	13.4	65	27.3	7.0	41.2	22.0	71
6	4.5	4.5	19.7	15.8	89	23.7	8.1	42.5	31.4	126
7	4.8	3.7	16.0	16.8	61	22.5	8.6	37.0	21.2	92
8	4.6	1.9	9.8	12.3	53	31.6	8.6	40.1	20.9	84
9a & 10a	18.2	15.7	19.8	17.4	121	37.6	17.9	53.6	35.0	263
9b & 10b	26.5	17.6	35.3	35.3	34	51.9	15.4	62.8	37.2	156
					633					1,012

Figure 5.3: *Farm households with incomes below 140 per cent of unemployment benefit entitlements: percentages by family cycle stage and size of farm*



Consistently, the proportionate change in the percentages between direct and disposable incomes is more substantial for the small and marginal farm households. And in some instances, toward the later stages, in large/medium households the percentages are equivalent, or the percentage for disposable income exceeds that for direct. Given the small numbers of households involved, it is the absence of a re-distributive effect that is of note at those stages, rather than the specific percentages observed. At earlier stages, and especially the child-rearing stages, the impact of tax and transfers is to greatly reduce the differential in the potential for being without an adequate income that exists on the basis of resource level. This is particularly true of the last stages of the family cycle measure. But in contrast to non-farms and non-proprietorial households generally, the transition to old age seems gradual.

There is one notable exception to the basic consistency by which state transfers supplement direct incomes for farm households. The rather jagged pattern of changes in the risk of poverty between Stages 4 and 8 of the cycle which Figure 5.3 shows for small/marginal farmers is a result of a less efficient transfer at Stage 6, early dispersal, than at the other stages, where transfers reduce by nearly half the percentage of households in poverty.

The apparent cushioning of the impact of old age on income adequacy for property owning households is particularly pronounced when the percentages are examined for proprietorial households. In strong contrast to the situation of white collar and working class households, in which the percentages in poverty are highest in the last stage of the family cycle, those for proprietorial households are low. It should be noted, however, that at most stages of the family cycle, and overall, a higher percentage of proprietorial households are in poverty than is the case for either white collar households or those working class households with an employed head. At least when all proprietorial households are merged into one grouping, their material situation is not markedly better than other groups, except in terms of the consistency with which income and need remain tied throughout the family cycle.

There are systematic differences among the four groupings of household both in the distribution of poverty across the family cycle and in the impact of tax and transfers in supplementing or replacing direct income. Taking each group's overall percentage as a point of comparison, the differences are clear. For white collar households, the risk of poverty seems tied to very specific factors in the family cycle: with Stages 5 and 8 having comparatively high percentages, but with the highest percentage found among households headed by the elderly. In working class households, percentages with direct income below our poverty threshold are fairly constant for those stages in which children are likely to be present. Three tiers can be seen: before the arrival of more than one child, (2-3), child-rearing (4-7), and dispersal (8-9). The

addition of state transfer payments has the most substantial proportionate impact at the child-rearing stages and in Stage 8.

Our analysis of the risk and incidence of poverty has been based on households. That choice follows from the salience of the family unit in the generation and expenditure of income. But the challenge posed by poverty is understated for some categories if we use percentages of household. This is especially true for the distribution of poverty across the family cycle. The middle stages of the cycle — Stages 4, 5, and 6 — contain 39 per cent of all households and 60 per cent of all persons. A high risk of poverty at those stages translates into a massive incidence of persons with inadequate incomes. In particular, a risk of poverty at Stage 4 of the cycle, middle child-rearing, will represent an incidence of poverty that in persons is nearly twice as great as that for households: the stage represents 19 per cent of all households and 33 per cent of all persons. The opposite relationship of personal to household poverty exists for the early and late stages of the cycle: our use of household level data gives an exaggerated portrayal of the number of persons affected by poverty in those stages.

The discrepancy in the assessment of the incidence of poverty one might make based on an analysis of households or of persons in those households can be gauged in Table 5.13, which compares the percentages of persons and households in each family cycle stage. (With the exception of the residual

Table 5.13: *Percentages of persons and households by family cycle stage*

Stage	*Percentages of*	
	Persons	*Households*
Young single	1.7	3.3
Young married	1.5	2.6
Family formation	11.1	10.6
Middle child-rearing	32.5	18.8
Complete	13.8	9.0
Early dispersal	13.9	11.1
Dispersal	7.4	7.8
Two generation adult	6.1	8.5
Empty nest (under 65)	3.1	6.9
Empty nest (65 or over)	4.2	10.1
Old single (under 65)	3.0	7.1
Old single (65 or over)	1.7	4.3
	100.0	100.0

category — which has 9 per cent of all households and only 4.5 per cent of all persons — our analysis by class would be little affected had we allocated persons in households rather than households to those with and without inadequate incomes.) The problems posed by poverty are obviously being experienced most acutely by members of households in which young families are being raised. This does not mitigate the concentration of inadequate incomes among the elderly. But it does point clearly to the location of the greatest challenge, and the families for which present policies are so seriously inadequate as to leave a substantial part of the population without a reasonable level of income.

Conclusion

In offering interpretations of the analysis, some limitations of the evidence should be reiterated: most basically, the income data are self-reported, and such information is known to understate the actual income available to households; certainly a household's expenditure typically exceeds its reported income. Any study based on the Household Budget Survey will, therefore, tend to find more households below a given threshold than would be the case if "true" incomes were known. The problem of understatement also impinges on comparisons among categories, particularly class or occupational categories: the percentages with inadequate incomes will over-represent somewhat households of the self-employed. For property owning households the percentages do not reflect the rental or sale value of the property being used to generate income, which may be substantial even for small farmers.

As an income source, property has a potential value, if sold, that skills or labour power lack. Therefore, though income levels of a property-owning and an employee category may be similar, the underlying economic security may be substantially different. A similar effect stems from patterns of housing, with the material situation of those categories in which home ownership predominates enjoying an advantage not adequately reflected in our analysis.

Social class offers a framework for understanding how income inequality is generated and perpetuated. The risk and incidence of poverty are clearly distributed along social class lines, as evinced, for example, in the white collar/manual comparisons and in the clear differentials of risk within each social class.

Among employees, the clearest social class differentials relevant to poverty is the probability that a household will have a head who is not in employment. That risk is greatest among the marginal working class categories, though it is a general difference between white collar and working class households. Even at the middle stages of the family cycle, a substantial proportion of working class households are without an employed household head. Poverty

as we have defined it is rare among households with income employment, at least where it is on a full-time basis. Taking only Stages 1 through 7 of the family cycle, and thus eliminating households in which the comparison is of limited relevance, the concentration of poverty among households without employed heads is striking indeed.

Differences are equally evident among households deriving income primarily from ownership of property, agricultural and otherwise. Differences in the type and quality of resources for creating income are structured, and the concept for expressing that structure is social class, at least to a sociologist. What is particularly of interest in the data for Ireland is the similarity of the circumstances of marginal working class and marginal property owning categories in the prevalence of poverty.

Examination of the horizontal inequalities present over the family cycle highlights some interesting differences between the four groupings: white collar, working class, farm, and proprietorial. First, there is a clear difference between categories of employees and categories of property owners in the pattern through which poverty is distributed at the various stages. That contrast is manifest particularly in the extent to which poverty is concentrated in the later stages, corresponding roughly to post-retirement ages. For employees, poverty is markedly more common in those later stages than earlier in the cycle, and the levels of poverty found in the later stages is substantial, even for white-collar employees. Though the data are cross-sectional, it seems reasonable to conclude that the circumstances of categories of employees, however favourable during years of employment, are not such as to ensure a post-retirement income adequate for household needs. This contrasts sharply with the situation of households deriving income from the ownership of property. Even where the property being used to generate income is of marginal value, the distribution of poverty across the family cycle is diffused: there is less of the abrupt transition associated with retirement for employees. Of course, the household budget data to some extent obscure the equivalent event in farm and non-farm proprietorial households: the handing over of the means of production to the next generation. It is likely that the position of head of household would transfer with the property, and the old couple would become, in effect, dependants of their children.

The contrast between risk and incidence provided insight into the location of poverty as a social problem, with social class and family cycle defining the social geography of Irish society. Working class households formed the bulk of the poor: nearly 40 per cent of all households with inadequate incomes. The incidence among working class households is highly concentrated in households whose heads are out of employment. The risk of poverty for such households was 42 per cent, but they represent 85 per cent of the working

class poor. Farm households represent 27 per cent of the poor.

Though the risk of poverty was greatest in the late stages of the family cycle, and especially for the elderly, the use of incidence rates highlights the substantial problem that is present for families with children. Of all poor households, 30 per cent are in the middle, child rearing stages of the cycle (Stages 3 through 6); this is true of 38 per cent of working class households in poverty, and 35 per cent of farm households. Among proprietorial households, poverty is concentrated among families with dependent children — they represent 61 per cent of proprietorial households with inadequate incomes.

Appendix Table 5.1: *Household income relative to unemployment benefits by family cycle: all households**

Family cycle stage	*Household income as percentage of unemployment benefits*								
	1 *100 or less*	*2* *100-200*	*3* *120-140*	*4* *140-200*	*5* *200-250*	*6* *250-500*	*7* *Over 500*		*N*
	per cent								
1	6.2 2.4	3.5 2.4	1.9 1.5	4.8 10.7	7.3 6.8	40.0 55.4	36.3 20.8	100.0	255
2	6.9 3.4	0.6 1.4	0.6 1.6	3.7 5.0	8.6 12.2	42.3 52.1	37.4 24.5	100.0	200
3	7.8 3.3	1.5 2.1	1.5 2.3	12.9 15.1	15.6 20.6	48.2 48.6	12.6 7.9	100.0	811
4	12.7 4.2	2.6 3.0	3.2 4.2	19.5 23.3	19.4 23.1	34.1 36.1	8.6 6.2	100.0	1,434
5	11.5 4.1	3.7 3.7	5.2 4.7	21.7 26.8	16.0 20.7	34.7 34.7	7.3 5.3	100.0	687
6	13.1 4.7	3.9 5.0	5.7 7.4	15.1 20.8	16.4 21.1	37.8 36.0	8.0 5.1	100.0	844
7	11.0 5.3	3.3 2.6	4.0 4.1	14.7 18.3	13.3 17.8	41.3 45.5	12.3 6.5	100.0	596
8	22.3 6.1	4.1 4.5	4.8 5.8	11.5 18.2	11.2 15.5	33.9 42.2	12.1 7.7	100.0	650
9a	30.1 9.5	2.2 10.0	4.5 6.6	10.7 19.9	9.7 13.8	27.4 27.7	15.4 12.6	100.0	530
9b	60.5 10.0	3.8 22.7	3.9 16.2	9.1 20.3	6.3 12.3	12.1 15.4	4.3 3.3	100.0	769
10a	33.3 16.8	2.8 8.2	3.0 6.5	10.8 15.5	7.3 9.6	26.9 33.2	15.9 10.3	100.0	552
10b	65.0 18.1	4.1 18.2	3.8 15.2	6.8 21.8	5.6 11.0	10.1 12.0	4.6 3.7	100.0	327
All households	22.2 6.8	3.1 6.7	3.7 6.4	13.7 19.6	13.1 17.3	32.8 35.7	11.5 7.6	100. 0	7,655

*Each cell contains direct/disposable Incomes.

Appendix Table 5.2: *Household income relative to unemployment benefits by family cycle: white collar households**

Family cycle stage	*Household income as a percentage of unemployment benefits*								
	1 *100 or less*	*2* *100-120*	*3* *120-140*	*4* *140-200*	*5* *200-250*	*6* *250-500*	*7* *Over 500*		*N*
	per cent								
1	0.7 3.0	2.3 0.0	0.0 0.0	1.2 2.3	2.4 1.6	45.5 69.4	47.9 23.7	100.0	122
2	2.7 0.0	0.0 0.0	0.0 0.0	0.0 1.4	1.4 3.2	29.7 54.3	66.2 41.1	100.0	59
3	0.6 0.6	0.4 0.0	0.4 0.4	4.4 4.5	5.0 6.4	60.6 72.7	28.6 15.5	100.0	201
4	2.8 1.8	0.2 0.7	0.3 0.5	8.0 7.8	10.4 13.2	57.3 62.6	20.9 13.3	100.0	330
5	5.4 2.7	1.9 3.3	2.5 3.1	10.6 9.2	7.8 13.5	53.6 59.7	18.1 8.5	100.0	133
6	3.5 0.7	2.1 0.0	1.9 1.7	6.6 13.2	12.0 13.3	51.6 62.4	22.3 8.7	100.0	139
7	2.3 2.1	0.8 0.0	1.5 0.0	4.9 9.7	12.4 16.1	47.5 62.0	30.5 10.2	100.0	105
8	3.9 1.8	1.1 0.8	5.3 2.1	8.4 11.8	17.1 16.4	32.0 49.5	32.4 17.6	100.0	97
9a	7.7 5.3	0.0 2.1	1.4 1.4	1.3 4.0	5.2 3.9	37.2 44.5	47.3 38.8	100.0	76
9b	23.3 2.9	6.3 9.7	4.1 9.1	9.6 12.9	10.1 19.3	35.3 36.9	11.3 9.3	100.0	103
10a	4.4 1.4	1.5 0.0	0.0 0.0	4.4 11.0	6.0 2.6	28.7 45.8	55.1 39.2	100.0	66
10b	22.4 5.9	0.0 3.2	0.0 3.6	13.1 22.8	12.6 9.6	36.8 45.3	15.1 9.5	100.0	33
All households	4.9 2.0	1.3 1.4	1.3 1.5	6.2 8.3	8.7 10.7	48.1 59.1	29.5 16.9	100.0	464

*Each cell contains direct/disposable incomes.

Appendix Table 5.3: *Household income relative to unemployment benefits by family cycle: working class households**

Family cycle stage	*Household income as a percentage of unemployment benefits*								
	1 *100 or less*	*2* *100-120*	*3* *120-140*	*4* *140-200*	*5* *200-250*	*6* *250-500*	*7* *Over 500*		*N*
	per cent								
1	3.3 3.3	0.0 0.0	0.0 0.0	6.8 10.0	9.2 15.6	53.9 60.4	26.7 10.7	100.0	54
2	5.6 1.4	0.0 2.2	1.6 1.0	2.4 6.8	8.5 14.3	59.0 66.5	23.0 7.8	100.0	72
3	7.3 2.6	1.0 3.1	0.8 1.1	18.0 20.7	21.4 30.5	48.0 40.9	3.6 1.1	100.0	401
4	13.2 4.0	2.4 3.9	3.8 4.3	26.3 30.5	25.2 30.3	26.9 26.0	2.2 1.0	100.0	764
5	8.6 3.2	3.7 2.4	6.3 5.5	27.1 34.3	21.4 27.3	31.4 26.4	1.7 0.9	100.0	335
6	12.2 4.0	2.8 5.7	4.7 6.1	16.8 24.0	21.7 27.3	39.8 31.9	2.0 1.0	100.0	393
7	9.1 2.8	3.3 1.6	3.0 4.8	15.8 19.9	13.9 18.7	48.3 49.8	6.5 2.5	100.0	285
8	20.5 4.6	2.6 4.0	5.0 4.9	13.5 17.4	13.8 17.9	39.0 49.3	5.6 2.0	100.0	302
9a	25.0 6.4	0.7 7.8	2.9 7.5	11.9 22.4	12.9 20.4	38.9 32.4	7.6 3.1	100.0	197
9b	66.9 6.5	2.8 22.8	5.1 21.1	8.8 24.7	5.4 11.0	8.9 13.5	2.0 0.4	100.0	289
10a	33.0 8.4	2.0 15.0	1.0 6.5	11.3 12.2	6 .0 14.6	33.1 42.2	13.6 1.1	100.0	154
10b	73.8 10.0	5.9 23.1	4.2 21.3	4.9 25.1	3.0 10.1	5.3 8.5	2.9 2.0	100.0	117
All households	20.2 4.4	2.4 6.6	3.7 6.5	17.6 24.0	17.3 23.3	34.1 33.5	4.6 1.6	100.0	3,364

*Each cell contains direct/disposable incomes.

Appendix Table 5.4: *Household income relative to unemployment benefits by family cycle: farm households**

Family cycle stage	*Household income as percentage of unemployment benefits*								
	1 *100 or less*	*2* *100-120*	*3* *120-140*	*4* *140-200*	*5* *200-250*	*6* *250-500*	*7* *Over 500*		*N*
	per cent								
1	16.2 0.0	4.8 4.7	5.9 6.5	9.1 24.7	15.7 4.8	20.4 33.4	28.0 25.9	100.0	57
2	13.7 8.8	2.2 2.2	0.0 2.7	11.3 8.9	18.8 21.2	26.4 28.7	27.5 27.5	100.0	49
3	19.4 11.6	3.4 1.5	4.0 6.7	10.8 13.3	16.0 14.2	31.5 37.7	14.9 14.9	100.0	123
4	24.5 7.5	6.3 4.3	5.2 7.7	12.3 20.0	16.1 17.0	25.4 33.5	10.2 10.1	100.0	204
5	19.9 5.6	6.5 6.8	4.6 5.6	21.2 24.0	13.8 17.0	28.5 34.8	5.4 6.2	100.0	138
6	15.8 6.6	7.6 3.7	9.7 14.6	17.2 19.6	12.9 17.1	29.5 31.3	7.3 7.1	100.0	215
7	15.4 6.6	4.6 7.3	8.5 5.6	20.7 23.5	14.8 18.4	25.5 28.3	10.3 10.3	100.0	152
8	21.7 6.8	4.9 3.7	2.3 7.8	14.5 16.9	5.7 15.6	33.7 34.6	17.2 14.6	100.0	138
9a	28.1 12.5	6.5 3.9	10.1 7.7	16.2 29.5	9.3 9.5	18.7 24.9	11.0 11.9	100.0	126
9b	40.1 12.2	8.1 9.2	3.3 8.2	20.2 31.6	12.1 16.5	13.7 19.8	2.6 2.6	100.0	105
10a	35.9 22.5	2.5 4.8	5.6 7.2	12.4 18.3	8.0 9.3	26.3 29.0	9.4 8.9	100.0	270
10b	58.1 24.9	5.0 9.8	6.6 13.4	11.0 23.7	8.1 16.9	9.6 7.6	1.6 3.6	100.0	90
All households	25.9 11.2	5.3 5.1	6.0 8.2	15.1 21.0	12.1 14.7	25.2 29.5	10.5 10.3	100.0	1,668

*Each cell contains direct/disposable incomes.

Chapter 6

CONCLUSIONS AND IMPLICATIONS

Introduction

The preceding three chapters contained a rather formidable quantity of tables, charts, and statistics, all describing the distribution of income or expenditure in contemporary Ireland. In this chapter, we propose to step back from the specific findings of the study to provide an overview of what has been learned and what implications can be derived.

To do so requires a perspective — a basis for integrating and interpreting the findings. We sought to provide such a perspective in the initial two chapters of the paper. Despite the quantity of information presented, this is, by design, an analysis in depth of a number of themes, rather than a study of all aspects of income inequality. The choice of coverage followed from the approach we adopted to understanding income inequality: a model of income determination in which social class and family cycle are the major variables.

This concluding chapter re-traces much of the plan of the overall paper. It is intended partly as a summary, but a summary oriented toward the policy maker. The paper's findings will be reviewed in the order established by the data analysis chapters. We preface that discussion with a reiteration of two vital aspects of this study. First, some of the limitations to the data used and its analysis will be reviewed. Second, the approach we adopted to the study of inequality will be briefly examined, with particular attention to how it specifies the connections between our income variables: head of household direct, household direct, and household disposable income.

Studying Inequality: Research Issues

The conclusions we can draw from this study are restricted by the use of survey derived income data, the need to infer from cross-sectional data to changes over the family cycle, and the absence of data on the distributional consequences of indirect taxation and indirect subsidies/transfers.

Self-reported weekly incomes, even in studies designed specifically for their collection, inevitably contain a component of systematic error, partly due to the technical difficulties of expressing an income flow as a weekly sum and partly due to misreports, intentional and unintentional. The overall effect is generally held to be an understatement of the situation of self-employed groups

relative to groups of employees. Investment and rental incomes are particularly prone to understatement, presumably weakening the inequalities linked to the concentration of such income sources. And, of course, a general tendency to understate will amplify the risk of poverty that we measure.

Life cycle or family cycle variation in the level and the components of household income will be interpreted differently in a cross-sectional study than in longitudinal research. Our data permit comparisons of households at different stages of the family cycle — no more. We do not know if the situation this study found to be typical of households at Stage 7 of the cycle will prove to typify households now at Stage 3 in 20 years time. However, the re-distributive patterns have a clear meaning: households at one stage are net contributors and those at another stage are net beneficiaries. This is re-distributive over the family cycle, though we cannot be certain that households now contributing will reap the benefits of their current contributions.

The third constraint — a lack of information on indirect taxation, such as value added tax, or on non-cash subsidies, such as those to education — is rendered less serious by the availability of the CSO's *Re-distributive Effects of State Taxes and Benefit on Household Income in 1973* (1980), and the re-analyses of those effects by Nolan (1981) and Kennedy (1981). The available evidence suggests that inclusion of indirect taxes and benefits would not greatly alter the conclusions we have drawn on the nature of re-distribution in Ireland: indirect taxes and transfers appear to balance, and it is most unlikely that a more beneficent picture of state interventions would have emerged had our coverage been more inclusive.

Our choice of dimensions for expressing inequality also affected the results obtained. Had we used decile shares to represent vertical inequalities and, perhaps household size to represent horizontal inequalities, the results would have been somewhat different. But it is unlikely that different conclusions would follow for the level of inequality. By using the concepts of social class and family cycle, we hope a more precise specification of the location of inequality has been achieved.

Finally, a reminder as to the date of reference for this study: 1973. All of the income data analysed were obtained from the 1973 Household Budget Survey. The final section of this chapter updates our conclusions to the most recent analyses.

While acknowledging the above limitations, in our opinion, those limitations can be dealt with effectively by introducing caution, where appropriate, in the conclusions and interpretations that one makes. The income data from the Household Budget Survey do provide reasonable estimates — certainly they are of a quality comparable to that available for other countries. The use made of farm accounts in the Household Budget Survey may, in fact, lessen the bias

typically present in estimated self-employment income. Moreover, the availability of household expenditure estimates permits a check on the relationships found through the analysis of income data.

Social Class, Family Cycle and Income Inequality

Households participate in the economy on the basis of the resources in their possession: skills and qualifications that can be brought to the labour market, land that can be farmed or rented, industrial enterprises and other business concerns, stocks and annuities; other households lack or are unable to use such resources, and are dependent on the state for a livelihood. Consistencies in the control households have over economic resources used for generating income are the bases for the formation of social classes. The households in a social class thus derive a roughly comparable level of income and of other material benefits.

In our view, such consistencies lie at the root of patterns of inequality. That inequality is manifest in the processes of income determination experienced by households, not just in the level of income they enjoy. A particular level of weekly income — say, £60 — can result from a diversity of income flows into a household. "Effort", the presence of multiple income earners in the households, is one possible influence on that level; so is a subsidiary form of income for the head of household, as with farmers who also engage in wage employment; state interventions are also experienced differentially by classes. Such factors, in our view, reinforce class boundaries. They both represent the presence of class inequalities and serve to perpetuate them.

The diversity of household economic situations contrasts with the essential unity of the experience of households over the family cycle. Changes in household composition and the process of ageing form basic exigencies to which households must respond or attempt to respond. To an extent, therefore, such changes in families form a dimension of inequality independent of social class: only the extremely wealthy are immune from the financial "facts" of increasing family size or of providing for retirement, and most households experience both periods of prosperity and want as they move through the family cycle. We have specified social class as a vertical dimension of income inequality and family cycle as a horizontal dimension.

But the two dimensions interact: family cycle changes vary by social class. Different types of resources will be paralleled by different patterns of income flow over the life cycle. Similarly though the impact of the state's fiscal policies will, to some extent, simply correspond to changing households composition — for example, dependants translate into tax allowances and dependent children into eligibility for Children's Allowances — but the implications for household income will vary with one's market capacity — that is, with class.

Some forms of employment offer a package of potential and guaranteed increments and promotions that ensure households of a constantly rising income for the years of family rearing; the taxation system offers certain advantages to households with mortgages. In these ways, the parameters of the changes experienced and the available responses to them by the household are distinctive to a class. Class will also, of course, be related to the base-line of income that varies across the family cycle.

By examining aspects of income determination in terms of class and family cycle variations, and particularly in terms of their joint variation, the basic processes will, we hope, be clarified. It is not that these variables can illuminate what was hitherto unknown and unexplored, but that they can make sense of the inequalities that we can all see around us. Most basically, class and family cycle allow a means for identifying the locations of income inequalities: skills and types of property that cannot guarantee a reasonable economic return, points in the family cycle in which income requirements are most acute, and the locations of the most substantial dependence on the state. In terms of re-distribution, we can identify the location of those categories of households which are contributors to transfers and those households which are the recipients. The efficacy of re-distribution depends on the location of contributor and beneficiary units. Our argument is that had we represented vertical inequalities as decile shares in total income and horizontal inequalities as household size, the analysis would not have spoken as directly to the nature of inequality or the impact of the state: the sources of inequality and the distributional consequences of state policy are too complex to be so represented.

Class Inequalities in the Distribution of Income

Our categorisation of households into classes involved distinctions by size of enterprise and by qualifications. That income inequalities are associated with such distinctions is a conclusion available to anyone familiar with modern capitalist society: what is of keen interest, however, is the pattern of class inequality. We have, therefore, examined the composition of household income, in terms of the variety of sources and of earners, and further examined those sources by considering both their importance to the category average and the source's prevalence among the households in each category. We have also established criteria to denote households with substantial dependence on two income sources of particular importance for understanding class differences: investment income and state transfers. Data on expenditure were also used to complement the comparisons made on the basis of income and to index differences in style of life.

In the analysis, two basic themes were pursued. The composition of house-

hold direct income, especially the effort expended to produce it, provided the first theme. A second theme was the effect of the direct state intervention through taxation and transfer programmes.

Head of household direct income is the clearest reflection of market capacity. Inequality measured at that level is considerably greater than that found for either the full household's direct income or its disposable income. Class inequalities are also crystallised when we examined head of household income: for employees, the manual/non-manual divide emerged with great clarity, as did an income hierarchy on each side of that divide; and among proprietorial households, differences in returns from property were just as clearly distributed.

These inequalities among class categories are greatly reduced by the apparent ability — or the necessity — of working class and the more marginal property owning categories to augment the head of household's income with that obtained by other household members. The additions, on average, received by households in the more marginal categories formed a substantial proportion of their incomes; subsidiary income earners contributed one-half of the direct household income for unskilled manual workers and nearly as much for marginal farm households. In evaluating the relative situations of various categories we should bear in mind the amount of effort expended to produce each category's income level.

The components of household income are affected in other ways by market capacity. Diversification of income sources is perhaps the most evident. On the one hand, a multiplicity of sources can represent marginality: one's primary resource is inadequate and perhaps unreliable. This is manifest in dependence on the state and in dual reliance on property and wage income. The contrasting situation is that of financially secure categories, such as large proprietors and higher professionals, in which the primary income source is supplemented by returns from investment. As with income levels and the importance of additional income earners, the salience of the nature of one's credentials — manual or non-manual — was clear, as were sub-patterns based on the quality of resources, regardless of type.

The effects of taxation and transfer programmes are, in social policy terms, the most interesting — they can be manipulated while other aspects of income determination are relatively fixed. State transfers, as a component of gross income are of considerable importance for all working class categories and for small and marginal farm households. For the residual category, state transfers are the predominant income source. The importance of state transfers as income is beyond dispute. One-tenth of the average gross income in the full sample was received from the state.

The prevalence of state transfer income is also of interest, indicating the

coverage achieved in specific class categories as well as in the total population. Of all households in the sample, nearly one-half were in receipt of some state transfers other than Children's Allowances. The distribution of such receipts followed the basic features of the Irish class structure: the common plight of marginal property owners and the marginal working class, and a division on the basis of manual or non-manual market capacities. The distribution of state transfers will obviously be channelled by the imperatives of market capacities. However, the role of the state is more pervasive than the income distribution itself might suggest. Even among the class categories with the highest household direct incomes, more than 10 per cent of their households receive state transfers (excluding Children's Allowances), though only for a tiny minority is that transfer income significant.

The impact of state transfer programmes can also be evaluated on the basis of the dependence of households on income provided directly by the state. Nearly one-fourth of all households were dependent on the state for at least 30 per cent of their gross income. Marginal farmers and unskilled manual workers are, as categories, significantly dependent on the flow of state transfers. Nearly half of all marginal farm households and four of every 10 unskilled manual worker households depended on the state for more than 30 per cent of their gross incomes. But that dependence is a consequence of market capacities incapable of providing an adequate income, and the disposable incomes of the categories affected remain substantially below the national average.

On analysing class variations in state transfer receipts we, of course, find that the relevant entitlements are for the most part income-specific. None the less, when the fiscal relationship of a household to the state is expressed as the net effect of the transfers received and the taxation paid, the relevance of property ownership as a criterion in class formation is highlighted. The amount of tax one pays in the form of income tax and social insurance contributions is not in Ireland related to income level in a straightforward manner. A class analysis clarifies why this is so. The ability of some class categories to minimise their outlays in the form of direct taxation results in a complex — and in many respects, extraordinary — distribution of households which are net beneficiaries of the state's re-distributive activities.

There are three potential outcomes that can emerge from the relationship a class's households have to the state: a class can contain households that are on average net beneficiaries of the state, its households may have an apparent equivalence between inflows and outflows, establishing a balance, or it may contain net contributors to the state's revenues. The outcome that characterises a household reflects aspects of class position independent of average household direct income. Some categories remain effectively untaxed though benefiting substantially from state income support programmes. Membership

in such a favourably situated grouping is largely limited to property owning households. The more marginal the property resource, the greater the net benefit, but all farm households emerge as net beneficiaries of the *direct* taxation and transfer policies of the state. Only one category of employees emerges as a net beneficiary — unskilled manual workers. However, the disadvantage of being within the direct tax net, as indicated both by the average tax payment and the proportion of households paying tax, sharply diminishes the size of the net flow such households realise from the state.

A combination of substantial transfer receipts and even more substantial tax payments, place the average working class household and small proprietor household as largely unaffected by the state. The balance is also present for large and medium farmers, but there the balance is in their favour. Also, if the net difference from state interventions is expressed as a proportion of household direct income, the change for large proprietors can also be classified as inconsequential, though the adjustment is to their detriment.

Whether expressed in the actual difference or the proportionate change, white collar households are net contributors to the state's revenues. Typically they receive the smallest amount as transfers and pay in direct taxation amounts far in excess of other categories; the contrast to the situation of property owning households with similar income levels is sufficiently strong to be singled out: the difference is widely acknowledged, but the implications are of particular importance. Though the state does affect re-distribution through its revenue generating and income support actions, this is not accomplished by a straightforward transfer of resources from the top to the bottom of the income hierarchy.

Social class is clearly linked to income inequality. What is important about that link is that the processes that reduce inequality, whether via the additional effort expended by low income households or the state's intervention, operate in ways that remain bounded by a class framework. To ignore the reality of class is to misunderstand the basis — and possible remedies — for increased inequality and its human consequences.

Family Cycle and the Distribution of Income

The changes in consumption requirements and income possibilities that households experience as they move through the family cycle are to a large extent independent of class boundaries. Though social policy is frequently constructed to be class-specific, much of the relevant legislation and many state programmes take explicit cognisance of family cycle variation.

It is therefore of considerable interest to quantify the distribution of income across the family cycle. In a cross-sectional study, such as the present one, we are limited to describing the current situations of households at different

stages. That information does provide the current "target" for social policy, but it cannot answer with confidence questions on the future situations of households currently being formed or at the early family rearing stages of the cycle.

Family cycle inequalities, like those associated with class, are strongly influenced by differences in the presence of subsidiary income earners and the re-distributive impact of the state. The result is a levelling of the income averages, especially among those middle-cycle stages in which children are being raised within the households.

Disposable income is highest, on average, in the early dispersal stage, one in which the balance between earners and dependants is quite favourable for the household's finances. Averages for households in earlier stages of the cycle are somewhat lower, while those found later in the cycle tend to be substantially lower.

For most households — or at least for the "typical" household — consumption needs are increasing concomitant with family size in the stages leading up to early dispersal. Such "needs" decline thereafter. The data from the Household Budget Survey suggest that the typical pattern is for households to muster additional economic effort in order to reconcile the imperative of consumption requirements against the flow of head of household direct income. There are exceptions to this pattern of additional income earners. The imperatives of the cycle itself preclude such income supplements at the early, family formation, stages. It is, therefore, at those stages that an imbalance between income and need is likely to be maximised.

The structure of the taxation system and of transfer programmes reinforces that basic pattern. Taxation paid by additional income earners combined with tax allowances for dependants who are not working do, however, shift the advantage toward stages somewhat earlier in the cycle. For household direct income, the dispersal stages have the highest averages; but the susceptibility of such households to direct taxation puts them at a disadvantage in comparison to other stages with fewer earners and more dependent children.

The policy implications of family cycle variation are expressed most clearly in data on household expenditure per adult equivalent. When so standardised, the relative disadvantage of households at the child-rearing stages of the cycle becomes evident. Income data, cited in Chapter 4, produced an artificially generous picture of the financial situation of households with children. This is true despite a clear structuring of transfer programmes and taxation arrangements to meet the needs of large families; this provides households, on average, with a heightened flow of transfers and a diminished tax burden in the stages with the most dependent children. It is insufficient. Only at two such stages is the net effect an average inflow from the state. This contrasts with the more

substantial adjustments made to household income at the early stages, in which a substantial net loss is experienced on average, and in the final stages in which direct transfers substantially exceed the direct tax paid.

The overall assessment is that re-distribution does occur among households at different family cycle stages. Transfers across households are typically occurring from the relatively unburdened early stages, in which a large number of income earners are present. Beneficiary households are typically located at stages in the middle child-rearing stages, where the number of dependants is highest, and at the late stages of the cycle.

An assessment of the implications of family cycle income inequalities and how they are affected by the state should include consideration of class variation. For one thing, class inequalities are present throughout the family cycle: the basic hierarchy of class income averages was maintained by households at the different stages. This establishes a basic parameter that will constrain what can be done to alleviate family cycle inequalities. The problems of market generated and family cycle generated inequalities cannot be separated as social policy issues.

Perhaps the most basic point of class variation is in the stage of the cycle at which the head of household's income typically peaks. For working class households in particular, income requirements and the household head's income are seriously mismatched. Those stages in which consumption requirements are greatest are not the same in which the head's income is at its peak — the average income at those stages is, in fact, lower than that found for heads at earlier stages.

By examining family cycle variation, we can also be enlightened as to the processes that are associated with class income inequalities. This is especially the case for the study of re-distribution. We can separate the net contributor units from the net beneficiary units within a class category. Working class categories, despite high average receipts of state transfers, were net contributors to state revenue. Only unskilled manual workers and marginal farmers were on average consistently net recipients from the direct tax and transfer system; white collar households were the only consistent net contributors.

Working class households are affected by the state in a manner closely related to their strong reliance on subsidiary direct income earners. At the dispersal stage all working class households, including those of unskilled manual workers, are, on average, net contributors to the tax and transfer system. And in the case of all but the unskilled manual category, that net contribution is quite substantial — in proportion to the households average direct income. Such households are also likely to be substantial contributors in the early, pre-marriage/pre-child-rearing stages of the family cycle, and they cannot necessarily rely on a net flow of transfers at the family formation

and child-raising stages — all but the unskilled category households are on average losing income from the combined tax and transfer adjustments.

So for even the more disadvantaged of working class categories it appears that transfers received by households at one stage will have been paid for by tax paid by households at other stages.

In contrast to other groups, the income of proprietorial households, including large and small farmers, are relatively unaffected by taxes and transfers. The adjustments made are rarely substantial even at the highest average income and there is little obvious re-distribution across the cycle. Nor are such households likely contributors to transfers being made to households in other class categories. Property ownership secures a very advantaged relationship to the state taxation and transfer activities.

To the extent that horizontal transfers in one category are being facilitated and subsidised by vertical transfers from a higher income, and more effectively taxed, class category, that re-distribution is occurring only within the employee sectors. Middle class, white collar categories are consistently acting as net contributors, and consistently contributing a substantial share of their incomes.

Poverty and Income Adequacy

A chapter on poverty has an intrinsic place in a study of income inequality. We have taken advantage of that affinity to provide an explicit measurement of household needs and an explicit consideration of the situation of the elderly.

The most basic question in a study of poverty is that of identifying the kinds of households and individuals who are in poverty. This can be expressed both as the risk of being in poverty for particular groups and the proportion of the poor accounted for by each group.

Poverty was defined as an inadequacy of household income relative to need, with need defined as 140 per cent of the entitlements that a household would receive if its head were eligible for Unemployment Benefits. Stated in those terms, the risk of poverty is particularly acute among working class households and also among small and marginal farm households.

For working class households, high risk of being in poverty is characteristic of a particular type of household: those without an employed head. But the proportion of working class households without an employed head is substantial, even in the early and middle stages of the family cycle. Since we do not know whether this lack of employment is intermittent or long-standing, the possibility remains that poverty is very widespread among working class households. Only data on risk over a period of years could offer a definite answer. It is likely, however, that risk is higher on average in working class households than our data indicate; a substantial number of working class

households we found to have adequate incomes might in a later study be defined as in poverty, and vice versa. Over time, therefore, the proportion of working class households in poverty would probably exceed considerably the "risk" factor we identified.

Among class categories, the efficiency of state interventions seems greatest for farm households. The flow of transfers to small and marginal farm households substantially reduces the inequalities among farm categories. This was evident in the chapter on class income inequalities, but the material on poverty risk highlights the importance of the state for such households and the problems that they continue to face despite state interventions.

Family cycle variations in risk of poverty provides additional insight into the location of poor households. The risk of poverty for households generally falls most strongly in the middle stages of the family cycle — particularly where a substantial number of dependent children is present — and among the elderly. This evaluation is made on the basis of the disposable incomes of households. The concentration of poverty at the middle and late stages of the cycle occurs despite quite substantial transfers via the state. If the efficiency of state interventions is measured as the proportionate change in the risk of poverty from direct to disposable incomes, then the state is having its greatest impact at the middle and dispersal stages of the cycle. At the dispersal stages, though the typical households may be paying a substantial amount of direct taxation which outweighs the flow of transfers, there are apparently households at those stages in which dependence on the state is very high: presumably they lack a direct income, or at best receive a very small return from economic activity.

There are clear class differences in the spacing of poverty risk over the family cycle. For categories of employees, poverty risk is concentrated in the late stages of the cycle: effectively after retirement. The level of risk is substantial for all such categories, even for white collar households. In contrast, property income, even when derived from the most marginal of properties, results in a distribution of poverty risk over the family cycle that is even, without a marked concentration in old age. The transition associated with old age seems less abrupt for property owners, though for each category the implications must be seen in the relative perspective of the overall magnitude of risk experienced by a category's households. Vertical inequalities among farm households appear to be more consistently affected by the state than were other categories.

If we compare class categories and family cycle stages in terms of the incidence of poverty — as measured by the proportion of all poor households a particular category, stage, or category/stage combination represents — we find that nearly 40 per cent of poor households were from the working class

and just over one-quarter from the farm sector. White collar households represent about five per cent of the poor and proprietorial households, three per cent. The remaining quarter of the poor come from the category we have treated as a residual. Such households are not regular participants in the labour force or in any form of economic activity. As a result, they could not be allocated to a class category. While some households are included through a lack of information, as would happen if the head of household is deceased and no other present member of the household was ever gainfully occupied in the economy, for the most part the category consists of households which lack and have probably always lacked any but the most marginal of market capacities.

The risk of poverty is greatest for households in the late stages of the family cycle, especially for the elderly. But consideration of incidence draws attention to the substantial problems of families with children. Of all poor households, 30 per cent are in the middle, child-rearing stages of the cycle. Working class and farm households had even higher concentrations of the poor at those stages. And among proprietorial households, poverty was particularly concentrated among families with dependent children.

The general implications of our analysis of poverty lie in the location of households in which both risk and incidence are high. The analysis also suggests locations of poverty in which either risk is high but the resulting incidence is not. In social policy terms, such locations will present rather different problems and possibilities. By focusing on class and family cycle, we can see clearly the overall effect state direct taxation and transfer programmes are having on the problem of poverty, where the strongest impact is occurring, and where the change effected still remains inadequate.

After 1973: Social Policy and Inflation

The use of data from 1973 imposes obvious limitations on the policy conclusions we can draw from our analysis. When the 1980 Household Budget Survey data become available for study, a full-scale evaluation of the consequences of the taxation and transfer changes introduced during the mid-1970s can be attempted. Here, however, we can only examine the broad outlines of changes in those policies, and make inferences from the results of the annual urban surveys conducted between 1974 and 1979 as to the changing distribution of income over those years. A full updating of our analysis of class and family cycle inequalities in household income has already been prepared for urban households in 1978; interpretation of the observed changes is greatly facilitated by the work of Roche (1980) and Kennedy (1981), who have offered assessments of the distributional impact of state policy over the past decade.

All class categories and family cycle stages, at least among urban households, experienced substantial increases in their average direct incomes

between 1973 and 1978. However, unless that increase was two-fold or greater, it was insufficient to match inflation. Expressed as real increases, we find that small proprietors, service workers, intermediate non-manual workers, and semi-skilled manual workers registered significant gains in direct income (ranging from one-quarter — for small proprietors — to 11 per cent for the semi-skilled). In contrast, large proprietors and higher professionals, the two most highly remunerated categories in both 1973 and 1978, registered declining real household direct incomes. The combined effect reduced class inequalities. They are readily identifiable in 1978 but less pronounced. The exception is the situation of unskilled manual workers, a category that lost ground relative to all others (Rottman and Hannan, 1981).

Over the mid-1970s both the share of earned income taken as tax and the magnitude of state transfers grew dramatically. Direct taxation tended to diminish somewhat the gains recorded by groups of employees and to consolidate still further the advantaged situation of proprietorial categories. The diminution is attributable to the effects of inflation on the income tax system. As inflation eroded the real value of tax allowances and the starting points of tax bands, all categories experienced rates of taxes that exceeded substantially the growth in earned incomes. The lowest rates of growth in average tax payments were found in the high income categories, such as large proprietors and higher professionals. In consequence, taxation blunted to some extent the success of some less well paid categories in improving their relative position. Changes in tax rates also consistently favoured the proprietorial categories. Their gains in the level of income were less affected by taxation increases than those of employee categories. The advantage thus conferred is best expressed as average tax rates in high income categories: in 1978 proprietors had average tax bills equivalent to 12 per cent of their direct income, in contrast to the 21 per cent paid by professionals. Overall, the increasing tax burden was distributed in a manner largely insensitive to the amounts of income being earned.

The substantial growth in income derived from state transfers exceeded that in direct taxation for large proprietors and for the three manual worker categories. All other (non-farm) categories saw their average household incomes diminished through the interventions of the state.

Income inequality across the family cycle was most affected by the extent to which the real values of specific transfer programmes and of various personal allowances that can be offset against income tax were maintained. Changes for the 1970s favoured the elderly and childless individuals and couples. Payments that are not linked to the number of dependent children have generally been modified to improve the relative position of recipients; however, entitlements tied to the number of dependants within a household have not been so favoured. The coverage of state transfer programmes also

expanded markedly over the 1970s. Notable changes include the decrease in retirement ages for pension eligibility. Entitlements for pensions were also expanded to meet particular circumstances, such as elderly persons residing on their own.

Over the 1970s, the value of personal allowances for adults, either married couples or single persons, were adjusted at a more realistic pace than those for dependent children. The result was to re-distribute income in a manner to the detriment of families in the middle stages of the cycle. The direct tax burden of all households increased by approximately one-third over the decade. Direct taxation (income tax plus pay related social insurance) amounted in 1972/73 to 23.0 per cent of the average industrial wage for single men, 19.0 per cent for a childless couple, and 6.7 per cent for a married couple with three children aged under 11. The percentages in 1978/79 were 28.6, 23.0 and 13.7, respectively (Clarke, 1981). The general growing burden is attributable primarily to the erosion in the value of tax allowances and the speed with which most income earners now exhaust their allowances and move into higher tax rates.

When we look at the effects of these policy changes on actual households using the 1973 and 1978 Household Budget Surveys, the decline in relative position is clear for households in which a family is being raised. It was in the complete and early dispersal stages, with many consumers, that the average tax payments increased most substantially — more than three-fold. If we combine those two stages, we find that average direct income grew from £52 to £125 weekly over 1973-78; that 2.4-fold increased income was outpaced by a 3.3-fold growth in direct taxation. Similar discrepancies emerge at the family formation and middle child-rearing stages.

The resulting decline in the relative position of such families was not offset through rising transfer payments. Transfers did increase substantially at the middle stages of the cycle, but the increases were insufficient to offset the rising tax burden.

In contrast, taxes and transfers combined were more favourable in their consequences for households in the early and late stages of the cycle, stages in which income requirements are less pressing. The most substantial increases in transfers were registered by stages in which few young children would be present, such as young married, dispersal, two generation adult, empty nest, and old single.

This disproportionate contribution to taxation from households with high dependency levels is not attributable to their financial good fortune. Their decline in the share they receive of state transfers also cannot be so explained.

However, the marked concentration of growth in transfer receipts did not suffice to offset the disadvantages experienced by households in the empty nest and old single stages as their direct incomes failed to keep pace with

inflation. Reliance on fixed sources of incomes, a modest but still increased tax burden, and despite very substantial increases in average state transfers, combined to leave households in the late stages of the cycle, the only ones to experience a loss in real disposable income.

Small increases in tax allowances and transfers in respect of dependent children, when combined with counterbalancing taxation, linked to gains in real incomes, bear most directly on the situation of the more marginal working class categories. By 1978, the income inadequacies highlighted in Chapter 4 for working class households in the middle stages of the family cycle have become exacerbated. Presumably, this requires still further demands on "effort" — inevitably limiting the educational achievements of children in such households.

If we take disposable income as the most valid guide to gains and losses over the 1970s then it is the higher professional class category and the late stages of the family cycle that emerge as the clear losers: they experienced losses in real income. Among class categories, small increments in transfers and sizeable increases in taxes combined for professionals to dilute still further an already slight increase in direct income; the overall effect, however, is re-distributive in favour of other, less well-to-do, categories. Among family cycle stages, large gains in transfers outweighed the increased tax paid by households in the late stages of the cycle — evidence of re-distribution — but this was insufficient to compensate for direct incomes that failed to keep pace with inflation. Tax liabilities grew far more rapidly than did either direct or transfer payment income in the intermediate non-manual category and in most working class categories. This negated much of the gain in real income such categories experienced during the 1970s. We can see with hindsight that the tax burden imposed by growing revenue requirements was borne by all households; those with higher incomes were not required to make a contribution commensurate with their advantaged situation.

After 1973, in the course of high inflation and changes in state taxation and transfer policy, some groups improved their incomes relative to others which lost ground. But the distribution of income as we have described it for 1973 remains valid: the income distribution in 1978 is a minor variation on that theme.

And what of the future? Our own appraisal, offered in Chapter 2, is that social class differences are so deeply implanted in Irish society as to be self-perpetuating. Those skills and credentials that offer substantial market capacity are likely to remain in the same families that possessed them in 1973; prospects for basic change in the 1980s are rendered almost nil by social group differentials in educational participation. Property ownership, at least of substantial assets, will remain restricted by the rules of family inheritance; the

associated boundaries of class advantage have been strengthened by a taxation system that increasingly favours the ownership and inheritance of capital. Trends in taxation on capital and property exacerbate the concerns that derive from our analysis of income tax and social insurance contributions. If the processes by which privileges are distributed continue on their present course, there is every likelihood that industrialisation and urbanisation will culminate in a society even more class-bound than that which we described for the mid-1970s.

Social classes and the associated differentials in material rewards from economic activity are basic to the structure of industrial society. Income inequalities among classes do not represent a conspiracy by the privileged; they are reflections of the market system, and of the desire of individuals to maintain their accustomed position, as well as to ensure a comparable, or better, position for their children. But such inequalities also rest in part on the link state policies in areas such as taxation, education, and welfare have to market forces. They can, therefore, be limited if we so desire. A progressive taxation system will tend to narrow class inequalities. Equity requires that taxation levels should increase proportionately with income levels and that no source of earned income should be immune from tax assessment on the basis of ability to pay. The share in state transfer income should decline with income level. Similarly, inequalities over the family cycle will be mitigated if tax allowances (or credits) and the share in state transfer benefits increase proportionately with the burden of dependency in a household. By pursuing equity, we will reduce class and family cycle inequalities in disposable income.

State policy should also seriously and explicitly address inequalities in access to the more privileged positions in our social class system. The current middle class domination of the upper levels of secondary and of all of third level education needs to be challenged by effective policies to ensure an equitable share in educational opportunities to those from working class and lower middle class backgrounds. Taxation policy is also central here. The growing reliance on income tax and social insurance contributions to raise government revenue has clear social class consequences. As taxation on capital and on inherited wealth drifted towards the inconsequential, an awareness of social class would have alerted policy makers to the possibility that Ireland may enter the twenty-first century with an upper middle class so privileged and so securely entrenched as to harken back to its nineteenth century predecessors.

Our aim in this paper, however, is descriptive and analytical, not prescriptive. We have endeavoured to place the existence of social class and family cycle inequalities beyond dispute and to indicate the underlying causes.

REFERENCES

ABEL-SMITH, B. and P. TOWNSEND, 1965. *The Poor and the Poorest,* London: G. Bell & Sons Ltd.

ALLISON, PAUL D., 1978. "Measures of Inequality", *American Sociological Review,* Vol. 43 (December), pp. 865-880.

ATKINSON, A.B., 1975. *The Economics of Inequality,* Oxford: Clarendon Press.

ATKINSON, A.B., 1981. *On the reliability of income data in the Family Expenditure Survey, 1970-1977.* London: London School of Economics Discussion Paper No. 19.

BAIN, GEORGE and ROBERT PRICE, 1972. "Who is a white-collar employee?" *British Journal of Industrial Relations,* 10 (November), pp. 325-339.

BLACKBURN, R.M. and M. MANN, 1979. *The Working Class in the Labour Market,* London: The Macmillan Press Ltd.

BLAU, P. and O.D. DUNCAN, 1967. *The American Occupational Structure,* New York: Wiley.

BRAHIMI, MICHELE, 1978. "Nuptialite et Ferondite des mariages en Irlande" *Population* 3 (May/June).

CARROLL, DEIRDRE and MARY ELLIOTT, 1977. *The Administration of the Home Assistance Service,* Dublin: National Committee on Pilot Schemes to Combat Poverty, Unpublished Research Report.

CENTRAL STATISTICS OFFICE, 1976. *Household Budget Survey 1973: Volume 1, Summary Results,* Dublin: Stationery Office.

CENTRAL STATISTICS OFFICE, 1980. *Redistributive Effects of State Taxes and Benefits on Household Income in 1973,* Dublin: Stationery Office.

CLARKE, PETER, 1981. "Personal income taxation and inflation in Ireland: a review of the past decade", *Journal of Irish Business Administration Research,* 3 (April) pp. 32-37.

COMMINS, P., P.G. COX, and J. CURRY, 1978. *Rural Areas: Change and Development,* Dublin: NESC, No. 41.

DALTON, H., 1920. "The measurement of the inequality of incomes", *Economic Journal,* 30, pp. 348-61.

DEPARTMENT OF EMPLOYMENT, 1978. *Family Expenditure Survey, 1977,* London: HMSO.

DONNISON, D., 1975. *An Approach to Social Policy,* Dublin: NESC, No. 8.

FIEGEHAN, G.C., P.S. LANSLEY, and A.D. SMITH, 1977. *Poverty and Progress in Britain 1953-1973,* Cambridge: University Press.

GEARY, P.T., 1977. "Wages, Prices, Income and Wealth", in N. Gibson and J. Spencer (eds.), *Economic Activity in Ireland: A Study in Two Open Economies,* Dublin: Gill and Macmillan, pp. 149-189.

GEARY, R. C. , 1954. "The family in Irish Census of Population statistics," *Journal of the Statistical and Social Inquiry Society of Ireland.* Vol. 19 (1954-55), pp.1-27.

GEARY, R.C., and F.S. Ó MUIRCHEARTAIGH, 1974. *Equalisation of Opportunity in Ireland: Statistical Aspects,* Dublin: ESRI, Broadsheet Series No. 10.

GEARY, R.C., and J.G. HUGHES, 1970. *Internal Migration in Ireland,* Dublin: ESRI, Paper No. 54.

GEOGHEGAN, BRIAN and PATRICK FRAIN, 1978/79. "Some aspects of labour costs and earnings 1974 and 1975", *Journal of the Statistical and Social Inquiry Society of Ireland,* Vol. 24, Part I, pp. 179-223.

GERTH, H. and C.W. MILLS, 1953. *Character and Social Structure,* New York: Harcourt Brace.

GIDDENS, A., 1973. *The Class Structure of the Advanced Societies,* London: Hutchinson & Co. Ltd.

GLASS, D.V., (ed.), 1954. *Social Mobility in Britain,* London: Routledge and Kegan Paul.

GLICK, P., 1955. "The Life Cycle of the Family", *Marriage and Family Living,* 17, 1, pp. 3-9.

GLICK P., 1977. "Updating the Life Cycle of the Family", *Journal of Marriage and the Family,* 39, 1, pp. 5-14.

GOLDTHORPE, JOHN, 1980. *Social Mobility and Class Structure in Modern Britain,* Oxford: Clarendon Press.

HALL, J. and D. CARADOG JONES, 1950. "The Social Grading of Occupations", *British Journal of Sociology,* Vol. 1, Jan.

HANNAN, D.F., 1970. *Rural Exodus. A study of the forces influencing the large-scale migration of Irish rural youth,* Geoffrey Chapman (Ireland) Ltd.

HANNAN, D.F., 1973. "Emigration since the War", Thomas Davis Lecture, RTE.

HANNAN, D.F. and L. KATSIAOUNI, 1977. *Tranditional Families? From Culturally Prescribed to Negotiated Roles in Farm Families,* Dublin: ESRI, Paper No. 87.

HANNAN, D.F., 1979. *Displacement and Development: Class, Kinship and Social Change in Irish Rural Communities,* Dublin: ESRI, Paper No. 96.

HENRETTA, J.C. and R.T. CAMPBELL, 1976. "Status Attainment and Status Maintenance: A Study of Stratification in Old Age", *American Sociological Review,* 41, pp. 981-992.

HUGHES, J.G. and B.M. WALSH, 1976. "Migration Flows Between Ireland, the United Kingdom and the Rest of the World, 1961-1971", *European Demographic Information Bulletin,* Vol. 7, No. 4. pp. 125-149.

HUGHES, GERARD, 1980. "The influence of the Beveridge Report on the structure and adequacy of unemployment and sickness benefit in Ireland." Unpublished manuscript, The Economic and Social Research Institute.

HUTCHINSON, B., 1969. *Social Status and Inter-Generational Social Mobility in Dublin.* Dublin: ESRI Paper No. 48.

HUTCHINSON, B., 1973. *Social Status in Dublin: Marriage, Mobility and First Employment,* Dublin: ESRI Paper No. 67.

JACKMAN, ROBERT, 1980. "The impact of outliers on income inequality," *American Sociological Review,* 45 (April), pp. 344-47.

KENNEDY, KIERAN A., 1981. "Poverty and changes in the socio-economic environment in Ireland 1971-81," Paper read to the Council for Social Welfare Conference on Poverty, Kilkenny, 6-8 November.

KUZNETS, S., 1962. "Income Distribution and Changes in Consumption", *The Changing American Population,* Institute of Life Insurance.

KUZNETS, S., 1974. "Demographic Aspects of the Distribution of Income among Families: Recent Trends in the United States", in *Econometrics and Economic Theory:*

Essays in Honour of Jan Tinbergen, W. Sellekaerts (ed.), London: Macmillan.
KUZNETS, S., 1976. "Demographic Aspects of the Size Distribution of Income; An Exploratory Essay." *Economic Development and Cultural Change,* 25 (October), pp. 1-94.
LAYARD, R., D. PIACHAUD, and M. STEWART, 1978. *The Causes of Poverty,* Background Report No. 5 to Report No. 6 of The Royal Commission on the Distribution of Income and Wealth, London: HMSO.
LINEHAN T.P., 1961/62. "The Structure of Irish Industry", *Journal of the Statistical and Social Inquiry Society of Ireland,* Vol. XX, No. 5.
LIPSET, S.N. and R. BENDIX, 1959. *Social Mobility in Industrial Society,* Berkeley: University of California Press.
LOOMIS, C., 1945. *Studies of Rural Social Organisation in The United States, Latin America and Germany,* Michigan: Edwards Brothers, Inc.
LOOMIS, C. and J.A., BEEGLE, 1951. *Rural Social Systems,* New York: Prentice-Hall, Inc.
LYONS, F.S.L., 1973. *Ireland since the Famine,* London: Fontana.
MARCEAU, J., 1977. *Class and Status in France,* Oxford: Clarendon Press.
McNAB, P., 1964. "Demography" in *The Limerick Rural Survey 1958-64.* Newman, J. (Rev.) (ed.), Muintir na Tíre.
MILLER, S.M., 1960. "Comparative Social Mobility", *Current Sociology,* 9, pp. 5-6.
NATIONAL ECONOMIC AND SOCIAL COUNCIL, 1975. *Income Distribution: A Preliminary Report,* Dublin: Stationery Office.
NATIONAL ECONOMIC AND SOCIAL COUNCIL, 1977. *Report on Housing Subsidies,* Dublin: Stationery Office.
NEVIN, M., 1968. "A Study of the Social Background of Students in Irish Universities", *Journal of the Statistical and Social Inquiry Society of Ireland,* Vol. 21, Part 6, pp. 201-225.
NOLAN, BRIAN, 1977-78. "The personal distribution of income in the Republic of Ireland", *Journal of the Statistical and Social Inquiry Society of Ireland,* Vol. 23, Part V., pp. 91-139.
NOLAN, BRIAN, 1981. "Redistribution of household income in Ireland by taxes and benefits," *The Economic and Social Review,* Vol. 13, No. 1, pp. 59-88.
NORTON, D., 1976. "Income distribution in the Republic of Ireland: a note." *Social Studies,* (July), pp. 66-74.
Ó CINNEIDE, SEAMUS, 1980. "Poverty and inequality in Ireland", in George and Lawson (eds.), *Poverty and Inequality in Common Market Countries.* London: Routledge and Kegan Paul.
O'CONNELL, PHILIP J., 1982. "The Distribution and Redistribution of Income in the Republic of Ireland," *The Economic and Social Review,* (forthcoming).
OECD, 1981. *Revenue Statistics of OECD Countries: 1965-1980,* Paris: Organisation for Economic Co-operation and Development.
OPPENHEIMER , V.K., 1974. "The Life Cycle Squeeze: The Interaction of Men's Occupation and Family Life Cycles", *Demography,* Volume 11, No. 2, pp. 237-245.
OSSOWSKI, S., 1963. *Class Structure in the Social Consciousness,* London: Routledge and Kegan Paul.
PARKIN, F., 1971. *Class Inequality and Political Order,* Paladian.
PARKIN, FRANK, 1979. *Marxism and Class Theory: A Bourgeois Critique,* London: Tavistock.

PHELPS BROWN, HENRY, 1977. *The Inequality of Pay,* Oxford: Oxford University Press.

PLOTNICK, ROBERT and FELICITY SKIDMORE, 1975. *Progress Against Poverty,* New York: Academic Press.

POULANTZAS, N. 1975. *Classes in Contemporary Capitalism,* London: NLB.

ROCHE, J.D., 1980. *The Dimensions of Poverty in Ireland in 1973,* Unpublished M.Sc. dissertation, Department of Statistics, Trinity College, Dublin.

ROTTMAN, DAVID B. and DAMIAN HANNAN, 1981. "Fiscal welfare and inflation: winners and losers," In *The Irish Economy and Society in the 1980s, Proceedings of the 21st Anniversary Conference.* Dublin: The Economic and Social Research Institute.

ROWNTREE, B.S., 1899. *Poverty: A Study of Town Life,* London: Macmillan.

ROYAL COMMISSION ON THE DISTRIBUTION OF INCOME AND WEALTH, 1978. Report No. 6, *Lower Incomes,* London: HMSO.

RUDD, J., 1972. *Report on National School Terminal Leavers,* Dublin: Development Branch of Dept. of Education.

RUDD, J., 1976. *Geographical and Educational Characteristics of 2nd Level School Leavers, 1974-75,* National Manpower Service.

SAWYER, M., 1976. "Income distribution in OECD countries," *OECD Economic Outlook: Occasional Studies,* Paris: OECD.

SHEEHAN, J., 1976. *Educational Expenditure in Ireland,* Dublin: NESC No. 12.

STARK, THOMAS, 1977. *The Distribution of Income in Eight Countries,* Background Paper No. 4, The Royal Commission on the Distribution of Income and Wealth. London: HMSO.

STARK, THOMAS, 1977/78. Discussion of B. Nolan, "The Personal Distribution of Income in the Republic of Ireland," *Journal of the Statistical and Social Inquiry Society of Ireland,* Vol. 23, Part V, pp. 140-144.

SWAN, T.D., 1978. *Reading Standards in Irish Schools.* Dublin: The Educational Company of Ireland.

SWEENEY, JOHN, 1973. "Foreign Companies in Ireland", *Studies,* 62 (Autumn, Winter), pp. 273-286.

TOWNSEND, PETER, 1962. "The meaning of poverty" *British Journal of Sociology,* Vol. 13, (September).

TOWNSEND, PETER (ed.), 1970. *The Concept of Poverty,* London: Heinemann.

TOWNSEND, PETER, 1979. *Poverty in the United Kingdom,* Penguin Books.

TREAS, J. and R.J. WALTHER, 1978. "Family Structure and the Distribution of Family Income", *Social Forces,* Volume 56, No. 3, pp. 866-880.

TUSSING, A.D., 1978. *Irish Educational Expenditures — Past, Present and Future,* Dublin: ESRI Paper No. 92.

VAN PRAAG, GOEDHART, T. and A. KAPTEYN, 1978. *The Poverty Line: A Pilot Survey in Europe,* Report 77.04, Centre for Research in Public Economics, Leyden University.

WALSH, B.M., 1968. *Some Irish Population Problems Reconsidered,* Dublin: ESRI Paper No. 42.

WALSH, B.M., 1970. *Migration to the United Kingdom from Ireland, 1961-66,* Dublin: ESRI Memorandum Series No. 70.

WALSH B.M., 1972. "Trends in age at marriage in post-war Ireland", *Demography,* 9 (May), pp. 187-202.

WALSH, BRENDAN and BRENDAN WHELAN, 1976. "A micro-economic study of earnings in Ireland", *The Economic and Social Review,* Vol. 7, No. 1, pp. 199-217.
WEBER, M., 1946. *From Max Weber: Essays in Sociology,* Gerth, H.H. and C.W. Mills, New York: Oxford University Press.
WEBER, MAX, 1968. *Economy and Society,* (G. Roth and C. Wittich (trs. and eds.)).. New York: Bedminister Press (first published 1921).
WHELAN, C.T., 1980. *Employment Conditions and Job Satisfaction: The Distribution, Perception and Evaluation of Work Rewards,* Dublin: ESRI, Paper No. 101.
WRIGHT, E.O., 1976. "Class Boundaries in Advanced Capitalist Societies", *New Left Review,* Vol. 98, July/August, pp. 3-41.
WRIGHT, E.O. and L. PERRONE, 1977. "Marxist Class Categories and Income Inequality", *American Sociological Review,* Vol. 42, pp. 32-55.
WRIGHT, E.O., 1978a. "Race, Class and Income Inequality", *American Journal of Sociology,* Volume 83, Number 6.
WRIGHT, E.O., 1978b. "Class, Occupation and Organisation", Paper read at the Annual Meeting of the American Sociological Association.

THE ECONOMIC AND SOCIAL RESEARCH INSTITUTE

Books:

Economic Growth in Ireland: The Experience Since 1947
Kieran A. Kennedy and Brendan Dowling

Irish Economic Policy: A Review of Major Issues
Staff Members of ESRI (eds. B.R. Dowling and J. Durkan)

The Irish Economy and Society in the 1980s Staff Members of ESRI

Policy Research Series:

1. *Regional Policy and the Full-Employment Target* M. Ross and B. Walsh
2. *Energy Demand in Ireland, Projections and Policy Issues* S. Scott
3. *Some Issues in the Methodology of Attitude Research* E.E. Davis *et al.*

Broadsheet Series:

1. *Dental Services in Ireland* P.R. Kaim-Caudle
2. *We Can Stop Rising Prices* M.P. Fogarty
3. *Pharmaceutical Services in Ireland* P.R. Kaim-Caudle assisted by Annette O'Toole and Kathleen O'Donoghue
4. *Ophthalmic Services in Ireland* P.R. Kaim-Caudle assisted by Kathleen O'Donoghue and Annette O'Toole
5. *Irish Pensions Schemes,* 1969 P.R. Kaim-Caudle and J.G. Byrne assisted by Annette O'Toole
6. *The Social Science Percentage Nuisance* R.C. Geary
7. *Poverty in Ireland: Research Priorities* Brendan M. Walsh
8. *Irish Entrepreneurs Speak for Themselves* M.P. Fogarty
9. *Marital Desertion in Dublin: an exploratory study* Kathleen O'Higgins
10. *Equalisation of Opportunity in Ireland: Statistical Aspects* R.C. Geary and F.S. Ó Muircheartaigh
11. *Public Social Expenditure in Ireland* Finola Kennedy
12. *Problems in Economic Planning and Policy Formation In Ireland,* 1958—1974 Desmond Norton
13. *Crisis in the Cattle Industry* R. O'Connor and P. Keogh
14. *A Study of Schemes for the Relief of Unemployment in Ireland* R.C. Geary and M. Dempsey
    with Appendix E. Costa
15. *Dublin Simon Community,* 1971—1976: *an Exploration* Ian Hart
16. *Aspects of the Swedish Economy and their relevance to Ireland* Robert O'Connor, Eoin O'Malley and Anthony Foley
17. *The Irish Housing System: A Critical Overview* T.J. Baker and L.M. O'Brien
18. *The Irish Itinerants: Some Demographic, Economic and Educational Aspects* M. Dempsey and R.C. Geary
19. *A study of Industrial Workers' Co-operatives* Robert O'Connor and Philip Kelly
20. *Drinking in Ireland: A Review of Trends in Alcohol Consumption, Alcohol Related Problems and Policies towards Alcohol* Brendan M. Walsh

Geary Lecture Series:

1. *A simple Approach to Macro-economic Dynamics,* (1967) R.G.D. Allen
2. *Computers, Statistics and Planning-Systems or Chaos?* (1968) F.G. Foster
3. *The Dual Career Family,* (1970) Rhona and Robert Rapoport
4. *The Psychosonomics of Rising Prices,* (1971) H.A. Turner
5. *An Interdisciplinary Approach to the Measurement of Utility or Welfare,* (1972) J. Tinbergen
6. *Econometric Forecasting from Lagged Relationships,* (1973) M.G. Kendall
7. *Toward a New Objectivity,* (1974) Alvin W. Gouldner
8. *Structural Analysis in Sociology,* (1975) Robert K. Merton
9. *British Economic Growth 1951—1973: Success or Failure?* (1976) R.C.O. Matthews
10. *Official Statisticians and Econometricians in the Present Day World,* (1977) E. Malinvaud
11. *Political and Institutional Economics,* (1978) Gunnar Myrdal
12. *The Dilemmas of a Socialist Economy: The Hungarian Experience,* (1979) János Kornai
13. *The Story of a Social Experiment and Some Reflections,* (1980) Robert M. Solow
14. *Modernisation and Religion* (1981) P. L. Berger

General Research Series:

1. *The Ownership of Personal Property in Ireland* Edward Nevin
2. *Short-Term Economic Forecasting and its Application in Ireland* Alfred Kuehn
3. *The Irish Tariff and The E.E.C.: A Factual Survey* Edward Nevin
4. *Demand Relationships for Ireland* C.E.V. Leser
5. *Local Government Finance in Ireland: A Preliminary Survey* David Walker
6. *Prospects of the Irish Economy in 1962* Alfred Kuehn
7. *The Irish Woollen and Worsted Industry,* 1946-59: *A Study in Statistical Method* R.C. Geary
8. *The Allocation of Public Funds for Social Development* David Walker
9. *The Irish Price Level: A Comparative Study* Edward Nevin
10. *Inland Transport in Ireland: A Factual Survey* D.J. Reynolds
11. *Public Debt and Economic Development* Edward Nevin
12. *Wages in Ireland,* 1946-62 Edward Nevin
13. *Road Transport: The Problems and Prospects in Ireland* D.J. Reynolds
14. *Imports and Economic Growth in Ireland,* 1947—61 C.E.V. Leser
15. *The Irish Economy in* 1962 *and* 1963 C.E.V. Leser
16. *Irish County Incomes in* 1960 E.A. Attwood and R.C. Geary
17. *The Capital Stock of Irish Industry* Edward Nevin
18. *Local Government Finance and County Incomes* David Walker
19. *Industrial Relations in Ireland: The Background* David O'Mahony
20. *Social Security in Ireland and Western Europe* P.R. Kaim-Caudle
21. *The Irish Economy in* 1963 *and* 1964 C.E.V. Leser
22. *The Cost Structure of Irish Industry* 1950—1960 Edward Nevin
23. *A Further Analysis of Irish Household Budget Data,* 1951—1952 C.E.V. Leser
24. *Economic Aspects of Industrial Relations* David O'Mahony
25. *Psychological Barriers to Economic Achievement* P. Pentony
26. *Seasonality in Irish Economic Statistics* C.E.V. Leser
27. *The Irish Economy in* 1964 *and* 1965 C.E.V. Leser
28. *Housing in Ireland: Some Economic Aspects* P.R. Kaim-Caudle
29. *A Statistical Study of Wages, Prices and Employment in the Irish Manufacturing Sector* C. St. J. O'Herlihy
30. *Fuel and Power in Ireland: Part I. Energy Consumption in* 1970 J.L. Booth
31. *Determinants of Wage Inflation in Ireland* Keith Cowling

32. *Regional Employment Patterns in the Republic of Ireland* — T.J. Baker
33. *The Irish Economy in* 1966 — The Staff of The Economic Research Institute
34. *Fuel and Power in Ireland: Part II. Electricity and Turf* — J.L. Booth
35. *Fuel and Power in Ireland: Part III. International and Temporal Aspects of Energy Consumption* — J.L. Booth
36. *Institutional Aspects of Commercial and Central Banking in Ireland* — John Hein
37. *Fuel and Power in Ireland: Part IV. Sources and Uses of Energy* — J.L. Booth
38. *A Study of Imports* — C.E.V. Leser
39. *The Irish Economy in* 1967 — The Staff of The Economic and Social Research Institute
40. *Some Aspects of Price Inflation in Ireland* — R.C. Geary and J.L. Pratschke
41. *A Medium Term Planning Model for Ireland* — David Simpson
42. *Some Irish Population Problems Reconsidered* — Brendan M. Walsh
43. *The Irish Brain Drain* — Richard Lynn
44. *A Method of Estimating the Stock of Capital in Northern Ireland Manufacturing Industry: Limitations and Applications* — C.W. Jefferson
45. *An Input-Output Analysis of the Agricultural Sector of the Irish Economy in* 1964 — R. O'Connor with M. Breslin
46. *The Implications for Cattle Producers of Seasonal Price Fluctuations* — R. O'Connor
47. *Transport in the Developing Economy of Ireland* — John Blackwell
48. *Social Status and Inter-Generational Social Mobility in Dublin* — Bertram Hutchinson
49. *Personal Incomes by County,* 1965 — Miceal Ross
50. *Income-Expenditure Relations in Ireland,* 1965—1966 — John L. Pratschke
51. *Costs and Prices in Transportable Goods Industries* — W. Black, J.V. Simpson, D.G. Slattery
52. *Certain Aspects of Non-Agricultural Unemployment in Ireland* — R.C. Geary and J.G. Hughes
53. *A Study of Demand Elasticities for Irish Imports* — Dermot McAleese
54. *Internal Migration in Ireland with Appendix* — R.C. Geary and J.G. Hughes; C.J. Gillman
55. *Religion and Demographic Behaviour in Ireland with Appendix* — B.M. Walsh; R.C. Geary and J.G. Hughes
56. *Views on Pay Increases, Fringe Benefits and Low Pay* — H. Behrend, A. Knowles and J. Davies
57. *Views on Income Differentials and the Economic Situation* — H. Behrend, A. Knowles and J. Davies
58. *Computers in Ireland* — F.G. Foster
59. *National Differences in Anxiety* — Richard Lynn
60. *Capital Statistics for Irish Manufacturing Industry* — C.W. Jefferson
61. *Rural Household Budget — Feasibility Study* — Sile Sheehy and R. O'Connor
62. *Effective Tariffs and the Structure of Industrial Protection in Ireland* — Dermot McAleese
63. *Methodology of Personal Income Estimation by County* — Miceal Ross
64. *Further Data on County Incomes in the Sixties* — Miceal Ross
65. *The Functional Distribution of Income in Ireland,* 1938—70 — J.G. Hughes
66. *Irish Input-Output Structures,* 1964 *and* 1968 — E.W. Henry
67. *Social Status in Dublin: Marriage, Mobility and First Employment* — Bertram Hutchinson
68. *An Economic Evaluation of Irish Salmon Fishing, I: The Visiting Anglers* — R. O'Connor and B.J. Whelan
69. *Women and Employment in Ireland: Results of a National Survey* — Brendan M. Walsh assisted by Annette O'Toole

70. *Irish Manufactured Imports from the UK in the Sixties: The Effects of AIFTA* Dermot McAleese and John Martin
71. *Alphabetical Voting: A Study of the* 1973 *General Election in the Republic of Ireland* Christopher Robson and Brendan M. Walsh
72. *A Study of the Irish Cattle and Beef Industries* Terence J. Baker, Robert O'Connor and Rory Dunne
73. *Regional Employment Patterns in Northern Ireland* William Black and Clifford W. Jefferson
74. *Irish Full Employment Structures,* 1968 *and* 1975 E.W. Henry
75. *An Economic Evaluation of Irish Salmon Fishing II: The Irish Anglers* R. O'Connor, B.J. Whelan, and A. McCashin
76. *Factors Relating to Reconviction among Young Dublin Probationers* Ian Hart
77. *The Structure of Unemployment in Ireland,* 1954—1972 Brendan M. Walsh
78. *An Economic Evaluation of Irish Salmon Fishing, III: The Commercial Fishermen* B.J. Whelan, R. O'Connor and A. McCashin
79. *Wage Inflation and Wage Leadership* W.E.J. McCarthy, J.F. O'Brien and V.G. Dowd
80. *An Economic Study of the Irish Postal Services* Peter Neary
81. *Employment Relationships in Irish Counties* Terence J. Baker and Miceal Ross
82. *Irish Input-Output Income Multipliers* 1964 *and* 1968 J.R. Copeland and E.W. Henry
83. *A Study of the Structure and Determinants of the Behavioural Component of Social Attitudes in Ireland* E.E. Davis
84. *Economic Aspects of Local Authority Expenditure and Finance* J.R. Copeland and Brendan M. Walsh
85. *Population Growth and other Statistics of Middle-sized Irish Towns* D. Curtin, R.C. Geary, T.A. Grimes and B. Menton
86. *The Income Sensitivity of the Personal Income Tax Base in Ireland,* 1947—1972 Brendan R. Dowling
87. *Traditional Families? From Culturally Prescribed to Negotiated Roles in Farm Families* Damian F. Hannan and Louise Katsiaouni
88. *An Irish Personality Differential: A Technique for Measuring Affective and Cognitive Dimensions of Attitudes Towards Persons* E.E. Davis and Mary O'Neill
89. *Redundancy and Re-Employment in Ireland* Brendan J. Whelan and Brendan M. Walsh
90. *A National Model of Fuel Allocation — A Prototype* E.W. Henry and S. Scott
91. *A Linear Programming Model for Irish Agriculture* Robert O'Connor, Miceal Ross and Michael Behan
92. *Irish Educational Expenditure — Past, Present and Future* A. Dale Tussing
93. *The Working and Living Conditions of Civil Service Typists* Nóirín O'Broin and Gillian Farren
94. *Irish Public Debt* Richard Bruton
95. *Output and Employment in the Irish Food Industry to* 1990 A.D. O'Rourke and T.P. McStay
96. *Displacement and Development: Class, Kinship and Social Change in Irish Rural Communities* Damian F. Hannan
97. *Attitudes in the Republic of Ireland relevant to the Northern Ireland Problem: Vol. I: Descriptive Analysis and Some Comparisons with Attitudes in Northern Ireland and Great Britain* E.E. Davis and R. Sinnott
98. *Internal Migration Flows in Ireland and their Determinants* J.G. Hughes and B.M. Walsh
99. *Irish Input-Output Structures,* 1976 E.W. Henry

100. *Development of Irish Sea Fishing Industry and its Regional Implications* R.O'Connor, J.A. Cruchfield, B.J. Whelan and K.E. Mellon
101. *Employment Conditions and Job Satisfaction: The Distribution, Perception and Evaluation of Job Rewards* Christopher T. Whelan
102. *Crime in the Republic of Ireland: Statistical Trends and their Interpretation* David B. Rottman
103. *Measures of the Capital Stock in the Irish Manufacturing Sector,* 1945—1973 R.N. Vaughan
104. *A Study of National Wage Agreements in Ireland* James F. O'Brien
105. *Socio-Economic Impact of The Construction of the ESB Power Station at Moneypoint, Co. Clare* R. O'Connor, J.A. Crutchfield and B.J. Whelan
106. *The Financing of Third-level Education* A.C. Barlow
107. *An Input-Output Analysis of New Industry in Ireland in* 1976 E.W. Henry
108. *Social Insurance and Absence from Work in Ireland* Gerard Hughes
109. *The Distribution of Income in the Republic of Ireland: A Study in Social Class and Family Cycle Inequalities* David B. Rottman, Damian F. Hannan Niamh Hardiman and Miriam M. Wiley