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THE COMPOSITION OF THE POOR
IN THE REPUBLIC OF IRELAND:
A SURVEY OF PREVIOUS
RESEARCH

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1. Introduction

This paper surveys the available research on the
nature of poverty in Ireland. It focuses mainly on the
composition of the poor. The paper summarises for the reader
the results of the available research on the characteristics
of the groups and categories of people most in need. It
illustrates some of the conceptual and methodological
problems in the measurement of poverty while making the
reader aware of some of approaches used in Ireland to tackle
these problems.

As this paper will discuss in some detail the risk and
incidence of poverty for various categories of people we will
define these two terms. The risk of poverty is the
probability of being poor for those belonging to a certain
group. This figure can help to indicate "pockets" of poverty
or those categories where people are most likely to be poor.
The incidence of poverty is the percentage of all poor
households or persons that belong to a certain group or
category. Thus one might have a situation where 50 per cent
of a certain group of households were poor (risk) but they
only comprised 5 per cent of all poor households (incidence).
This would happen because they only formed a small percentage
of the total population. Conversely a group with a low risk
of poverty could have a high incidence due to its size in the
population. The policy implications of risk and incidence
rates may vary. A targeted campaign could be used to
decrease the risk of certain groups but if the incidence is
high then the cost of such a campaign could be very large.

There are many descriptive categories into which one can group people in order to study their wealth or their level of need. One may examine the risk and incidence of poverty of numerous categories. However, the resulting figures, although enlightening about a particular group are not causal explanations for the risk and incidence of poverty among that group.

Concepts such as social class and family cycle do, however, allow us to develop an explanatory framework for poverty. Social class which may be defined as the determinant of "life chances" works in the inheritance, maintenance and transmission of poverty in a structural way. Family cycle defined as the changes over a typical family's life course, from formation to dispersal, can help us to understand both the family's needs and its economic strength. Economic strength can be defined as the ratio of earners to consumers for which the family must provide.

2. *The Composition of the Poor in Ireland: Outline of Previous Research*

The studies we will examine here are Seamus O Cinneide's (1972) paper on the extent of poverty in Ireland, Eithne Fitzgerald's (1980) NESC Report and her chapter in "One Million Poor" (1981), John D. Roche's chapter in "Poverty and Social Policy" (1982) and his book "Poverty and Income Maintenance Policies in Ireland" (1984) and Rottman, Hannan *et al.,* (1982) ESRI Paper "Social Class and Family Cycle Inequalities".

Taking these studies in turn we will discuss their sources and general features. O Cinneide's (1972) paper set out to measure the extent of national poverty. He had, due to the deficiencies of the data then available, to piece together information from a variety of sources. Nationally representative household level data showing income from different sources was not available to him. However, through the use of administrative statistics on the numbers in receipt of social welfare payments together with sectoral earnings data, the Farm Management Survey, the Census of Retail Distribution, the Census of Industrial Production and Census of Population data he estimated the numbers in poverty in each category. The lack of individual household data severely limited the analysis since there was no firm basis on which to examine the distribution of total income from different sources or the way individuals were combined in families/households. There was also the problem of estimating the risk of poverty for certain categories such as the self-employed. O Cinneide's (1980) paper updated his earlier work using much the same methodology. He could not at that time use the 1973 Household Budget Survey (HBS) because the published data did not allow incomes to be adjusted to take differences in household size and composition into account. What O Cinneide did do, however, was to point to certain groups or categories which were in particular danger of poverty, namely, the aged, small farmers, the unemployed and low paid workers.

Four other studies have analysed the extent of poverty in Ireland using the detailed HBS data on computer tape rather than the published results. Three of these -

Fitzgerald (1981), Rottman, Hannan *et al* (1982) and Joyce and McCashin (1982) - are based on the 1973 HBS, while Roche's (1984) study used the results of the only other nationwide HBS, that of 1980.[^]

The Household Budget Survey is a CSO survey mainly for the purpose of adjusting the Consumer Price Index. It measures household size, composition, expenditure and income among other variables. It is up to now, despite certain problems in the measurement and reporting of income, the single best source for poverty studies which use an income standard as a measure of "need". The relevant variables such as household size and age structures can be taken into account when creating household equivalent income.

The first published analysis of poverty using the HBS was by Eithne Fitzgerald (1980) in NESC Report No. 47. Families were grouped according to equivalent income units (i.e., income per adult equivalent, where the Head of Household has a weight of 1, etc.) and she analysed the bottom 20 per cent and 30 per cent of the income distribution. Looking at the bottom 30 per cent and up-rating incomes to 1980 prices she notes that these households received less than the old age pension payable to a couple at that date. Fitzgerald breaks down the poor, in line with her main object of investigation, by household composition and working/non-working status. In Fitzgerald's later work, *One Million Poor* (1981), she extends the analysis of poverty and shows which groups have the highest rates of poverty.

Rottman, Hannan, *et al*. (1982) concentrated on analysing the composition of the poor, particularly in terms of class and family cycle factors rather than arriving at a precise estimate of the number in poverty. Their poverty lines were based on prevailing Unemployment Benefit (UB) rates, with results presented for the number of households in the 1973 HBS at or below the UB level, between 100 per cent and 120 per cent, 120 per cent to 140 per cent etc.

Although Roche's first analysis of the HBS was completed in 1979 it was not published until 3 years later, when it appeared in summarised form in Joyce and McCashin (1982). That paper analysed in some detail the numbers and composition of the poor. The poverty lines used are the Unemployment Assistance (UA) rates in mid-1973, that level plus 20 per cent and plus 40 per cent.

Roche (1984) provides the only detailed study of poverty based on the 1980 HBS. Roche adjusted his earlier poverty lines upwards to allow comparision with his 1973 work (the adjustments took into account the rise in the CPI and in real national income (GNP per head) between 1973 and 1980). The results showed a substantial fall in the numbers in poverty between 1973 and 1980.

Table 1 taken from Nolan (1987) displays the main features of the various studies under discussion here. One point to be taken into account in all the studies is that they deal with households or individual level data. For a variety of reasons family units, defined as persons living alone, a parent or parents and their offspring, or tax units are not the focus of analysis. Using the household as the unit of analysis has a number of disadvantages, especially in

the area of taxation policy and income maintenance. Also, the

implicit assumption of shared resources among household

members may not be valid. Roche points out, however, that

Table 1: *Main Features of Studies Quantifying the Extent of Poverty in Ireland*

Study	Year To Which Results Refer	Main Data Source	Income Concept	Income Recipient Unit	Equivalence Scales	Poverty Line	Estimated Percentage Poor
O Cinneide (1972)	1971	Administrative data	Gross Income	Individual/ family	ad hoc	ad hoc (based partly on UK Supp. Ben. rates)	24% of population
O Cinneide (1980)	1975	Administrative data	Gross Income	Individual/ family	Derived from EEC attitude survey	1971 line updated, + 50%	27% of population
Roche, in Joyce & McCashin (1982)	1973	HBS	Disposable Income (net of some rent)	Household	UA implicit scales	(A) UA (B) UA + 20% (C) UA + 40%	(A) 10% h/h-9% persons (B) 15% h/h-10% persons (C) 23% h/h-21% persons
Fitzgerald (1981)	1973	HBS administrative statistics	Disposable	Household	Based on UK studies	Equivalent to contr. old age pension rate for couple	30% of households; [20% below $^3/_4$ of this income]
Rottman, Hannan et al (1982)	1973	HBS	Disposable	Household	UB implicit scales	Principally UB UB + 20% UB + 40%	7% at or below UB 20% at or below UB+40%
Roche (1984)	1980	HBS	Disposable (net of some rent)	Household	UA implicit scales	(A) 1973 UA, adjusted for increase in CPI and GNP to 1980, (B) this plus 20% and (C) plus 40%	(A) 4% (B) 7%) of households (C) 12%

Source: Nolan B. (1987), p.7.

84 per cent of households in the 1980 HBS comprise single

family units and that the problem should not be exaggerated.

The best possible solution is to analyse the extent of

poverty on family, tax unit and household unit basis. A judgement could then be made of the effects of this on poverty estimates and policy implications..

As pointed out above, risk and incidence levels for various groups or categories of the poor may have different policy implications, however so does the poverty line picked by the analyst. Hannan, Rottman *et al*. found that 20 per cent of households had a dispoable income less than 140 per cent of UB. Roche, however, found 23 per cent of households in poverty at 140 per cent of UA level. This discrepancy was in part due to the equivalence scales used. The implicit scales of the UA and UB schemes were used in both studies and the equivalence rate for children on the UA scale was on average double that of the implicit scale in the UB rates. Roche also deducts rent from direct income to measure disposable income for households with rented accommodation while Rottman, Hannan *et al*., do not deduct rent in their calculation of disposable income. The major cause of this anomalous finding was, however, that Rottman, Hannan *et al*. use the October 1972 rates of payment for UB (£5.50 for a single person or £9.30 for a couple) and Roche used the July 1973 rates UA (£5.35 for a single person or £9.25 for a couple) which are nearly equal and, as mentioned above, the implicit equivalence rate for children on the UA scale was nearly double that of the UB scale.

It is conventional to take some poverty line to represent the basic State minimum or what is regarded as a minimum income and to present results at that level, 120 per cent of that level and 140 per cent of that level. This allows the reader to see the different effects of adopting

higher levels of the poverty line. The rationale for adopting the 140 per cent level is that in certain circumstances additions are made to the basic scale to cover exceptional expenses and that there are provisions for disregarding certain amounts of other income in the means test. This, and the issues raised in the use of various poverty lines, are discussed fully in Nolan (1987).

3. *The Composition of the Poor 1973*

Initially we will discuss briefly the characteristics of the poor in 1973 as outlined in Fitzgerald (1981), then we will proceed to examine Rottman, Hannan *et al.*, (1982) and Roche in Joyce and McCashin (1982) in detail.

Using the HBS, Fitzgerald shows that the highest risk of poverty occurs in working families with four or more children, one parent families, the aged (over 65 years) both single and married, but foremost among families whose head is unemployed with children. As unemployment rose rapidly in the 1973-1980 period the incidence of poverty for this group, as we will see below, also rose.

Using other data sources, the Revenue Commissioner's reports of 1977/78, the Farm Management Survey of 1978/79, Social Welfare Statistics, she pointed to the increasing numbers of low paid workers who came into the tax net, the increasing problems for the farming community and the lack of facilities and amenities for both rural households and the elderly. *Old and Alone* (1980), the St.Vincent de Paul publication showed that over half the elderly living alone had no bath or shower and one third did not even possess a

kitchen sink.

Other groups Fitzgerald draws attention to are educational under-achievers, the travellers whom we will not discuss in this paper (see Rottman, Tussing and Wiley, 1986) and the institutionalised population, especially the old (13,000) and long stay psychiatric patients (14,000) whose conditions were frequently not up to an acceptable standard.

3.1

We now focus on two papers which analyse the risk and incidence of poverty in 1973 in some detail. Chapter 2 of *Poverty and Social Policy* (1982) based on a background paper by J.D. Roche is primarily a statistical analysis of the extent, risk and incidence of poverty in Ireland while Rottman, Hannan *et al.* (1982) implement the concepts of social class and family cycle to measure their effects on poverty. We will first discuss the demographic characteristics of the poor and outline the meaning of and implications for poverty, of the life-cycle approach. The next area discussed will be the economic status of the poor and the relationship of social class to poverty. Finally, we will discuss regional variations in the risk and incidence of poverty.

3.2 Demographic Characteristics

Roche's analysis of the HBS shows that in demographic terms three groups stand out in terms of risk of poverty. Single adult households (70 per cent of which are headed by a female and two out of three of these are widows), single parent families who have a high risk of poverty but a

low incidence (8 per cent of poor households) and large
families, two adults and five or \more children who
represent 12 per cent of poor households but 30 per cent of
poor persons. The aged (over 65) represent 26 per cent
of poor households at all poverty lines but only 18 per
cent of poor persons reflecting the variation of household
size by age of HOH. Households headed by persons under 45
years of age constitute 23 per cent of all poor households
but 40 per cent of all poor persons. These figures bring out
some of the elements of the family cycle which we will now
examine.

This concept of family cycle provides an approach to the
measurement and explanation of differences among households
that affect both the income flow to households and the
outflows required for consumption. Family cycle is based on
the stages a typical household goes through from its
formation to its eventual dispersal. 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. Though there are distinctive variations in the effect
of the family cycle according to social class, all families
share the problem of continuously adjusting to meet the
exigencies of the family life cycle. Variations in the
extent and pressures on the family or household unit depend
on the following factors:

(1)   the flexibility of wages or income received over
        the life cycle;

(2)   the extent to which the age or life cycle stage at which wages/salaries peak coincide with that at which consumption peaks in the family cycle;

(3)   the extent to which savings at one stage can be stored or invested to provide support at later stages;

(4)   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 troughs. The categories developed to measure family cycle are given in Appendix I. They are designed to capture the changes households experience as they progress from newly formed units to eventual dissolution through the death of their founders. The percentage of households and persons at each stage is given in Table 2.

From Table 2 it can be seen that the salience of poverty will be under estimated if we examine households only. This is particularly true if we look at certain stages of the

Table 2 *Risk and Incidence of Poverty by Family Cycle*

Stage	Percentage of persons	Percentage of households	Risk of Poverty	% of Poor Households
Young Single (1)	1.7	3.3	6.4	1.9
Young Married (2)	1.5	2.6	6.4	1.9
Family Formation (3)	11.1	10.6	7.7	4.1
Middle Child Rearing (4)	32.5	18.8	11.4	10.7
Complete (5)	13.8	9.0	12.5	5.7
Early Dispersal (6)	13.9	11.1	17.1	9.5
Dispersal (7)	7.4	7.8	12.0	4.7
Two Generation Adult (8)	6.1	8.5	16.3	7.0
Empty Nest - under 65 (9a)	3.1	6.9	28.8*	20.5*
Empty Nest - 65 and over (9b)	4.2	10.1	49.6**	35.7**
Old Single - under 65 (10a)	3.0	7.1		
Old Single - over 65 (10b)	1.7	4.3		
All Households	100.0	100.0	19.9	100.0

Source: Table 5.13, ESRI Paper 109, Percentages of Persons and households by family cycle.

*   This risk and incidence figure refers to categories (9a) + (10a) (under 65 years).

**   This risk and incidence figure refers to categories (9b) + (10b) (over 65 years.

life cycle. Stages (4), (5) and (6) of the life cycle (middle
child rearing, completion and early dispersal) contain 39 per
cent of all households but 60 per cent of all persons.[a]   A
high risk of poverty at any of these stages would translate
into a massive incidence of persons with inadequate income.
In particular stage 4 (middle child rearing) will represent a
incidence twice as high for persons as for households, 19.7
per cent of poor households but 38.9 per cent of poor
persons (assuming that family size within stage 4 is equal
for poor and non-poor households). This group constituted 11
per cent of poor households in 1973. Stages 4, 5 and 6
constituted 26 per cent of poor households. Rottman and
Hannan find 35.7 per cent of poor households had heads over
65 years of age in 1973 in basic agreement with Roche's
estimate of approximately one third of poor households with
heads over 65. Another significant group of the poor are the
single elderly whom we will examine in greater detail later
in the paper.

The main conclusion of the analysis of poverty by
demographic category/life cycle stage is, as we have noted
above, the high risk of poverty of the elderly and also to a
lesser extent in the middle stages of the family life cycle.

3.3 Economic and Social Class Dimensions of Poverty

There are many ways of characterising peoples'
relationships to the economy. One aspect of these are market
relationships which are dependent on the possession of
property, knowledge and skill and manual labour power.
Different individuals and families bring different levels of
these resources to the market (market capacities). The

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. In any historical situation a finite number of combinations of such economic classes would form social classes. The key to understanding this is mobility "a social class is made up of the totality of class positions within which intergenerational mobility is easy and typical" (Weber, 1968, p. 302). This approach is adopted by Rottman, Hannan, *et al.* (1982).

There are also other ways of examining the relationship of households or individuals to the market such as labour force status, numbers of earners in the household, etc. These descriptive categories are adopted by Roche to examine the issues of poverty while the more theoretical approach is adopted by Rottman, Hannan, *et al.* Roche distinguishes between these categories of Livelihood status (at work, out of work, or outside the labour force) and a more detailed eight category Labour Force status (self-employed farmer, other self-employed, employee, ill, unemployed, retired, home duties, or other). Rottman, Hannan, *et al.*, distinguish four classes and a residual group (white collar, working class, proprietorial, farmers and the residual) within which they make certain distinctions at points in the analysis, e.g., small farmers, unskilled manual workers.

We can now proceed to look at the risk and incidence of poverty for various categories and social classes.

Looking at Roche's figures in Table 3 (based on his poverty line C, 140 per cent of UA) we can see that to be out

of work through illness or unemployment entails the highest
risks of poverty. Fifty per cent of households headed by an
unemployed person were poor at poverty line A rising to
68 per cent at poverty line C. The risk of poverty of these
out of work was higher than that of those outside the labour
force completely. Household income depends also on the

Table 3: *Risk and Incidence of Poverty by Livelihood Status and Workplace Participation: Social Group at Poverty Lines as Defined for Each Author Above*

Livelihood status and workforce participation	Risk	Incidence	Social Group	Risk	Incidence
At Work		Roche	Rottman, Hannan et al		
Self-employed - non farm	14	4	White Collar	4.9	4.7
Self-employed - farmer	22	21			
Employee	9	17	Working Class	17.5	38.7
Total at Work	13	42			
			Farmer	24.5	26.8
Out of Work					
			Proprietorial	10.6	3.3
Ill	59	5			
Unemployed	68	9	Residual	58.3	26.5
Total out of work	64	14			
			All	19.9	100
Outside Labour Force					
Retired	37	17			
Home Duties	48	23			
Other	58	3			
Total outside labour force	43	43			
All	23	99			

Source: Table 5.9, p.151 ESRI Paper No. 109.
Table 2.7, p.14 Poverty and Social Policy

livelihood status or earning ability of other members of the
household, most poor households had no member earning at all
but it should also be borne in mind that even where there was
an income earner, if he/she was low paid and had a large
family the risk of poverty is very high. Roche's residual

category (unclassifiable by occupational status) has a high risk of poverty - over three times the average. At each poverty line households headed by an unskilled worker and the residual group constituted almost 50 per cent of poor households.

The Rottman, Hannan, *et al.* (1982) figures, based on UB + 40 per cent, suggest that the risk of poverty is highest for the residual group followed by the farmers, their estimate of the risk of poverty to farmers at 24.5 per cent is very close to that of Roche at 22 per cent. The only other category where the estimates of risk are comparable is in proprietorial households (self-employed non-farmers) and again the estimates of risk are quite close. However, the larger social class categories of Hannan and Rottman conceal differences among the social groups. When they disaggregate certain categories in their analysis , they find that the risk of poverty for unemployed working class households is 42 per cent at 140 per cent of UB whereas for working class households, whose head is employed the risk is 4.2 per cent. The same picture emerges among farmers if they are disaggregated, large to medium-sized farmers (greater than 50 acres) have half the risk, 14.9 per cent, of small/marginal farmers, 29.8 per cent. The effect of State transfers is substantial for farmers: without State transfers the comparable figure would be 37.2 per cent of small/marginal farmers in poverty and 17.4 per cent of medium to large farmers. The reduction of poverty due to State policy is about one-third in unemployed working class households (63.7% to 42%) and about a quarter in working class employed households (5.9% to 4.2%).

Roche finds that at poverty line A (i.e. the UA level
with no additions) the Head of Household (HOH) was at work in
about a third of poor households, the HOH was unemployed in
24 per cent of poor households and the HOH was outside the
labour force in 45 per cent of poor households. As the
poverty line is raised these distributions change. At
poverty line C, 42 per cent of poor households had HOH's at
work (the majority being farmers) but the proportions of the
poor who were farmers had dropped while that of employees had
risen sharply in this group. The number of poor households
headed by an employee indicates the effects of low wages.
These poor households headed by an employee were also larger
than the average (6.5 persons at poverty line A) indicating
the combination of large families and low wages in
contributing to poverty.

Rottman, Hannan *et al*. show that the incidence of
poverty is greatest for the working class which comprise
almost 40 per cent of all poor households. Farmers and the
residual group comprise about 27 per cent at each poverty
line. Proprietorial households constitute 3.3 per cent and
white collar households 4.7 per cent of all poor households
at 140 per cent of UB. The residual group and the working
class are the most disproportionately represented among the
poor.

Looking at the incidence of poverty across class and
family cycle in Table 4, differences are found in the
population. Among all households the incidence of poverty is
highest at the empty nest stages of the life cycle (these are
one or two adult households where no children are present).
Those whose HOH is between 40 and 65 comprise 20.5 per cent

Table 4: *Households with income below 140 per cent of unemployment benefit entitlements: risk and incidence by social class and family cycle*

	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	% of P
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 generations 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 (4.7)	17.5	100 (38.7)	24.5	100 (26.8)	10.6	100 (3.3)	58.3	100 (26.5) 100.0

Source: Rottman, Hannan *et al.* (1982)

of the poor while those whose HOH is over 65 years constitute 35.7 per cent of poor households. The next group of households which comprise a large percentage of the poor are what we will call the middle child rearing stages, i.e., all with children greater than 5 years old and children less than 15: there may be other children but this is the distinguishing characteristic (Stages 4, 5 and 6). There are 25.9 per cent of poor households in these stages.

There are, however, significant cross class variations in the above patterns. 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 percentages being found among the elderly. For working class households percentages with direct income below the poverty threshold are fairly

consistent at the stages where children are likely to be present.

As the authors point out, differences in the type and quality of resources for creating income are structured and the concept for expressing that structure is social class. An interesting aspect of the situation in Ireland is the similarity of circumstances of marginal working class and marginal property owing categories in the prevalence of poverty. In terms of social class the generation and re-generation of these inequalities makes the study of education and social mobility a necessary part of our understanding of inequality and its transmission.

The authors also elucidate the horizontal inequalities present over the family cycle which varies among the four groupings. This concept is important in that for some categories income inadequacy may be a temporary phenomenon while for others it is an unrelieved long-term experience. The clearest difference is between categories of employment and categories of property owners in the pattern of distribution of poverty at various stages. This is manifest particularly at the later stages (post-retirement) for employees, even white collar employees, who cannot ensure an adequate income at this stage. Where property is used to generate income the distribution of poverty across the family cycle is diffused (even where that property is of marginal value) and there is a less abrupt transition to retirement. The use of the family cycle concept also points to the presence of child poverty, of all poor households 30 per cent are in early-middle child-rearing stages (Stages 3 through 6).

3.4 Regional Variation

In regional terms, in the North East, Midlands, West and North West, the majority of heads of poor households were in farming. In the remaining regions the majority of poor households had heads that were outside the workforce. The poorest regions of the country were the West, North West and Mid-West.

In concluding this discussion of poverty in 1973, the high risk characteristics of households may be summarised in Figure I.

Figure I   *High Risk Characteristics*

Livelihood status of HOH	Unemployed Ill Home duties Other - other outside labour force
Educational level of HOH	Primary education only
Occupational Status of HOH	Unskilled (Unknown)
Economic Status	No earners in house High dependence on State transfer payments
Sex of HOH	Female
Marital Status of HOH	Single
Household Composition	Adult living alone. One parent family Large family
Age of HOH	Over 65
Regional Location	Donegal and North West Region

Source: Joyce and McCashin (1982), p.19

4   *The Composition of the Poor 1980*

Turning to 1980, the HBS for that year was analysed in detail in John Roche's 1984 publication "Poverty and Income Maintenance Policies". The methodological aspects of his approach are discussed in Nolan (1987, page 18). We will first present an overview of the study and the changes he identifies between 1973 and 1980. We then examine his finding under our previous headings (1) economic status, (2) demographic characteristics and (3) regional variation. As usual we will examine first the risk and then the incidence of poverty.

4.1   1973-1980

In 1980 Roche does not use an 1980 official poverty line but, as stated above, he adjusts his 1973 poverty line to take into account the rise in the Consumer Price Index and in real national income (GNP per capita) between 1973 and 1980. His principal finding (Roche, 1984, p.77) is that the percentage of households in poverty at all three poverty lines (1973 Rural Unemployment Assistance grossed up) had been halved. However the percentage of persons in poverty had not fallen as dramatically (only by one third). As a result children formed a greater percentage of the poor in 1980 than in 1973 (47 per cent up to 53 per cent). At Poverty line C he calculates that 12 per cent of households were poor as opposed to 23 per cent in 1973; the reduction of poor persons in poverty was from 21 per cent to 13.5 per cent. In other words, the reduction of poor households was in the order of 50 per cent while the reduction of poor persons was only 27 per cent.

At each poverty line the risk of poverty fell for every group except farmers. For farmers the risk of poverty remained static at line C and rose at A and B. The reduction in risk for unemployed HOHs was the lowest and their risk of poverty was still the highest in 1980 (60 per cent of households headed by an unemployed person were poor at poverty line C). A major finding was the reduction in risk for those "outside the labour force" (the retired, those in home duties and others). Two groups in particular seem to have benefited from the real increase in Social Welfare payment rates, the elderly and female heads of households.

The incidence of poverty also changed between the two years as is to be expected given the changing risk and the changes in the numbers of certain categories especially the growing number of unemployed.

Households outside the labour force were much less important in the population of poor households because of the improvements in the level of payments of social welfare pensions which ensured most pensioners' income was above poverty line C.

4.2 Economic Status

Looking at 1980 in more detail, in terms of economic status, Roche first considers labour force status, then proceeds to examine occupational status, farm size, number of income earners and number of dependants in the household. He cross-classifies livelihood status of HOH (employee, out of work, retired) by occupational status. The two divergent groups he finds are professionals and unskilled manual workers, the former were under-represented among poor

households and the latter over-represented. It is somewhat surprising that employed non-manual and skilled workers had the same share of poor households as they represented in the sample (Roche, 1984, Table 4.7). In the case of "out of work" HOHs, occupational status had little effect on the risk of poverty but the risk of being "out of work" was very unequal. Unskilled manual HOHs constituted only 10 per cent of employees in the sample but nearly 40 per cent of the "out of work" category. For each of the other occupational categories the proportion of HOHs out of work was less than or equal to their representation in the sample. For the retired HOHs the incidence of poverty fluctuated considerably by occupational status depending on the poverty line (see below).

As Rottman, Hannan, *et al.* (1982) pointed out the risk and incidence of farm poverty mask its concentration particularly in relation to farm size. However Roche found an anomalous situation where the risk of poverty rises as "farmer" size rises. This was due in part to the existence of Smallholders Assistance (equivalent to UA) in certain areas of the country; certainly in the absence of Smallholders Assistance the risk of poverty would have fallen as farm size increased[c].

In order to look at the source of income or income generating capacity of the household and its effect on poverty, Roche looks at the number of earners in the sample households. The risk of poverty where the household had no earners was above average and rose sharply as the poverty line rose. Households with no earners accounted for 38 per cent of poor households at line A, 51 per cent at line B and

54 per cent at line C. The risk of poverty in households with one earner was above average at line A and below average at lines B and C because of the relatively high risk among farmers at line A and the low risk of other self employed persons and employees. Where there were two or more earners the risk of poverty is negligible.

In terms of the effect of having an earner in the household the distinction is again found between those "out of work" and those "outside the labour force". Where there was no earner in the household and the HOH was unemployed, 74 per cent of such households were poor and where the HOH was ill 60 per cent were poor, while where the HOH was retired the figure was only 16 per cent and where the HOH was in "home duties" 24 per cent were poor. Factors such as pay related benefit for those who were ill and the number of children most likely caused the difference between HOHs who were ill and those who were unemployed. Practically all poor households where the HOH was "out of work" or outside the "labour force" had no earner (Table 4.10, Roche, 1982).

As we have discussed above in relation to employees the effects of low pay and the number of dependants in the household meant that some employees could have been in poverty. Poverty line A represented 45 per cent and poverty line C 63 per cent of the net income per adult unit of an average sized family with earnings equal to the average male earnings in manufacturing industry. Unless the family was above average size or there were other persons in the household with an income below the poverty line a household should not have been in poverty if the earnings of the HOH exceeded two-thirds of the average industrial wage. Where

HOH's earnings were below this the risk of poverty depended on the number of children, whether the HOH had any other source of income or the spouse of the HOH worked or, if there were others in the household, on the income of these others. Four per cent of employed HOHs were poor at poverty line C. Of these 27 per cent had earnings of less than one-third the average industrial wage, 15 per cent had earnings of one-third to one half the average wage, 26 per cent had earnings of a half to two-thirds and 32 per cent had earnings of over two-thirds of the average industrial wage.

4.3 Demographic Characteristics

Child Poverty

Table 5: *Estimated Total Population Poor based on HBS Samples*

Poverty	Adults		Children*		Total Persons	
Line	1980	1973	1980	1973	1980	1973
A	77,000	126,000	82,000	110,000	159,000	236,000
B	128,000	202,000	150,000	182,000	278,000	384,000
C	210,000	310,000	228,000	291,000	438,000	601,000

* Persons aged under 18 years

Table 6: *Risk and Incidence of Poverty in Sample Population in 1980 by Age*
(Amended Version)

Age Group	Risk (% Poor) Poverty Line			Incidence (% of Poor) Poverty Line		
	A	B	C	A	B	C
0 - 5 years	6.6	12.4	17.6	19.5	21.0	19.0
5 - 15 years	6.2	11.3	17.8	29.3	30.2	30.4
15 - 18 years	3.7	5.3	9.4	2.9	2.4	2.7
18 - 65 years	-	-	-	48.3	46.4	47.9
All Persons	4.9	8.6	13.4	100.1	100.1	99.9

Source: Roche, 1984, Table 4.17.

Table 5 shows us that children constituted a higher proportion of the poor in 1980 than 1973 and Table 6 that children (under eighteen years of age) comprise more than half of the poor at each poverty line in 1980. It is also the case that the bulk of these poor children were under 15 years of age. The seriousness of this problem cannot be under-estimated; the majority of poor persons in 1980 were still of school going age. The risk of child poverty, as of poverty generally, was highest in households headed by an unemployed person, two out of three children in such households were poor at poverty line C. The risk of child poverty was also high in farm households, 29 per cent at poverty line C. The risk of poverty for children in households headed by an employee was below average although it rose sharply at poverty line C and these children comprised nearly a quarter of poor children at this line. Given the sharp rise in unemployment between 1980 and 1986 we can expect that the children of unemployed persons will comprise an even greater percentage of poor children in 1987.

The risk of child poverty was affected by the number of children in the household, two-thirds of all poor children came from households with four or more children. While the risk of poverty was much lower in households where the HOH was "at work" children in such households comprised the bulk of poor children (mainly due to the influence of farmers). A major change had occurred since 1973, the risk of being poor in 1980 was substantially higher in households with children than in households without children. The 1973 position had been reversed.

Table 7: *Risk of Poverty: Households with and without children*

		Poverty Line		
		A	B	C
Households without Children	1980	3.4	5.6	9.9
	1973	9.8	15.1	21.6
Households with Children	1980	5.3	9.5	14.5
	1973	7.8	12.9	20.8

Source: Roche, 1984, Table 4.20.

Rottman, Hannan *et al* had through their analysis of the family cycle concluded from the 1973 HBS data that the problem of poverty was being experienced acutely by families in the child-rearing stages of the life cycle. By 1980 due to the changing composition of the poor this had become even more evident.

4.4 One Parent Families

Households consisting of one parent and one or more children comprised only 3 per cent of the sample. Eighty five per cent of these were females, of whom 61 per cent were widows and 35 per cent were currently married, presumably separated or deserted wives. All the male single parents were widowed or married. Sixty-two per cent of the females and 14 per cent of the males were outside the labour force.

While the risk of poverty was above average for single parents at poverty line C, widows fared better at each line than married women. Roche suggests that the high risk among married women may have been due to failure of take-up of income maintenance by deserted wives or that they may have been existing on Supplementary Welfare Allowance temporarily.

Three-quarters of poor single parents, at each poverty line, were outside the labour force.

4.5 The Aged

As we have mentioned above the risk of poverty for the aged (over 65 years) decreased dramatically between 1973 and 1980.

The risk of poverty had fallen for all age groups in the seven year interval but the risk for the aged fell relative to younger HOHs. Even at poverty line C their risk was no higher than the risk for younger HOHs, a reversal of the position in 1973. The risk of poverty of the aged is highly sensitive to the poverty line as they depend so obviously on income maintenance. Thus as the old age pension

Table 8: *Risk of Poverty Classified by Age of Head of Household*

	1980 % Poor			1973 % Poor		
	Poverty Line			Poverty Line		
	A	B	C	A	B	C
66 years and over	2.4	4.4	12.0	15.5	24.0	34.9
All Households	4.3	7.5	12.3	9.8	15.3	22.7

Source: Roche, 1984, Table 4.20.

exceeds poverty line C, HOHs could be poor only if special circumstances existed. A substantial proportion of retired people who were poor were not in receipt of the old age pension, some of these were likely to have been over 65. Also some households were surveyed before the 25 per cent increase in rates of payment granted in 1980. These would

have a higher risk of poverty in the study, although in fact they would have received the higher payments and not be in poverty if surveyed later. The proportion of aged HOHs poor outside the labour force was 54 per cent at poverty line A and 85 per cent at poverty line C. Almost all the rest were farmers. The aged constituted 8.6 per cent of the poor at poverty line C and 7.2 per cent of the total sample.

Another group worthy of mention are the single aged 58-65. This group had the highest risk of poverty among single persons. Single farmers, unemployed persons and single women outside the labour force influenced the high risk of this age group. Neither the long-term Unemployment Assistance rates or the Single Woman's Allowance (payable to women aged 58-65, who have never been in the labour force) were enough to prevent poverty.

4.6 Regional Variations

Roche also examines regional variations in the extent of poverty in his study of 1980. However, he looks at Health Board Areas rather than the Planning regions which he used in 1973. He found that the risk of poverty was below the national average in the Eastern and Southern HBAs and also below average in the North-Eastern HBA except at poverty line A. The risk of poverty was above average in all other regions, the highest risk being in the North Western HBA followed by the Western and Mid Western HBAs. This pattern is reflected in the incidence of poverty. The three western areas constituted one-quarter of the households in the sample but accounted for 40 per cent of poor households. The lowest risk area (the Eastern HBA) accounted for 20 per cent of th

poor at each poverty line reflecting the fact that 35 per cent of the population live in this region.

5. Conclusions

As we have seen, much change occurred between 1973 and 1980 in terms of the risk and incidence of poverty and now eight years later the composition of the poor is likely to have changed again. The highest risk group in both previous years were the unemployed and this is likely to still be the case but the unemployed will now have increased their share of poor households as unemployment has risen in the community from 7.3 per cent in 1980 to 17.4 per cent in 1986. The data, especially Roche's in 1980, show us that rising real levels of payment do have an effect on the situation of those in need. This can be clearly seen among the old age pensioner group. The farming community had a relatively high risk and a high incidence of poverty in 1980. The same is probably true of the last few years with 1987/88 being the first year of real rising income for farmers in some time, following declines for several years.

We have also seen some of the problems implicit in the measurement of poverty: sensitivity to equivalence scales and to rates of payment, narrowness in the conceptualisation and measurement of poverty and a lack of basic qualitative research on the nature and meaning of poverty in Ireland to the groups concerned. Some of these problems may be insurmountable given the nature of poverty and fundamental disagreement over its absolute or relative nature. Some, such as the problem of equivalence scales based on Irish expenditure data, will be solved in the near future and other

methods of measuring poverty will soon be implemented in terms of socially defined minimum income needs and an acceptable life style.

FOOTNOTE

(A)   A nationwide Household Budget Survey was carried out in
      1987.

(B)   With the   exception of the residual group (9%   of
      households and 4.5 % of all persons) the class analysis
      would be largely unaffected by the allocation of persons
      rather than households to class categories.

(C)   There are some other possible explanations for this
      counter-intuitive funding. Farm income for farmers with
      under 30 acres is measured by questionnaire and the
      income is then estimated while the income of farmers
      with over 30 acres was obtained from supervised farm
      accounts   which is probably a more reliable procedure.
      Roche   suggests that progressive farmers with higher
      input   costs are affected more adversely during a
      recession.   Roche does state that he finds it hard to
      believe that 25 per cent of farmers with over 50 acres
      could be in poverty on a long-term basis and that if
      this .were the case then it is a problem of farm
      management and efficiency rather than of farm income
      support.

APPENDIX I

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

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