

NESC REPORT NO. 41

**RURAL AREAS:
CHANGE AND DEVELOPMENT**

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NATIONAL ECONOMIC AND SOCIAL COUNCIL

Rural Areas: Change and Development

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Rural Areas: Change and Development

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PREFACE

This report is a follow-up to Council Report No. 19 which outlined the social planning problems of rural areas. In this report the consultants, who are employed in the Economics and Rural Welfare Centre of An Foras Talúntais, build on the analysis of the previous report and put forward recommendations on how the problems of rural areas might be resolved.

It is the Council's intention to submit its own views, on what it considers to be the most appropriate policies for alleviating the problems of rural areas, to the Government in the near future.

CHAPTER ONE

CHANGE IN RURAL SOCIETY: A GENERAL VIEW

1.1 Introduction

A characteristic of modern western societies, including the most affluent, is the persistence of seemingly intractable problems in the rural sector. Vast technological changes and rising economic wealth are paralleled in rural areas by chronic low-incomes, involuntary migration, inadequate public facilities and services, and a general debilitation of community life. The clearest illustration is the United States. In the 1960s, what had become the richest nation in history was shocked into the realisation that 14 million of its 55 million rural inhabitants were still living in poverty, many even in destitution. This number would have been higher had not so many already moved into urban areas, though not all of these reached prosperity. Moreover, this rural poverty, while more acute in some areas, was not geographically confined nor was it limited to any particular ethnic groups or occupational categories. Yet the affluent society had remained oblivious to the poverty stricken. In the farm population, persistent poverty since the Great Depression of the 1930s was overshadowed by the tremendous advances in commercial farming. Indeed there were those who reasoned that the deprivation of many rural people was even intensified by the manner in which technological change transformed American agriculture. A Presidential Commission¹ in fact described the rural impoverished as the refugees of a modern agricultural revolution. Furthermore, the problems of the cities had, in part, their origins in this rural poverty.

But what is the point of referring to American experience in introducing a report on issues of Irish rural development? Obviously,

¹The Presidents' National Advisory Commission on Rural Poverty, reporting in 1967.

there are differences in societal scale and stage of economic development between the U.S. and Ireland—even between the U.S.A. and the European Economic Community. Yet there are similarities in the emergence of certain kinds of rural problems and, in some respects, in the intransigence of the same kinds of problems. It is a main thesis of the report that the problems identified are dislocations and adjustments arising from the long-term process of economic modernisation. In other words, the major policy issues arising in Irish rural development are linked to a complex set of technological, economic and social transformations that have, to various degrees, worked themselves out in the advanced countries of the western world. Thus, the relevance of the U.S. case, as we shall try to bring out in the report, is in what it illustrates of the manner in which social and economic changes affect rural populations. In this process, the aggregate benefits of economic progress are undeniable but there are contrasting impacts on different categories of society. The total distribution of the costs and benefits of change is complex. Desirable changes in one direction, such as the commercialisation of agriculture, can have unintended and even (for a time) unrecognised consequences to which other policies may make only a belated and inadequate response.

1.2 Scope of the Report

The main purpose of this report is to explore policy options and offer proposals for coping with rural development problems in Ireland. This suggests that a prior task must be to describe these problems, to say why we regard them as such, and to provide some quantification of their magnitude and distribution. Secondly, and more fundamentally, the experiences of more advanced countries indicate that we should attempt to develop a broad perspective of social change in rural areas so as to understand better the origins, persistence and implications of major problems in the Irish rural sector. Thirdly, it seemed that any consideration of future policy had to be based on an identification of desirable objectives of rural development and on an appraisal of existing policies in achieving these.

Problems are whatever our society or significant segments of it define them to be. Thus, different values may be invoked in outlining the social and economic concerns of rural areas and in assessing the

adequacy of current policy. Similarly, there are value judgements involved in suggesting solutions. This report elaborates on an earlier National Economic and Social Council (NESC) publication (Report No. 19) which provided an initial reconnaissance over the social planning issues in the rural sector. Chapter Two here deals at some length with what we regard as the more central of these problems, viz., continued population decline in many rural areas; the adverse impacts of economic change on some categories of the rural population; the socio-economic differences between regions, between urban and rural sectors and between different categories within the farm population; the differential consequences of economic change in farming and the maladjustments occurring in the transition to a modern agriculture.

The remainder of the report is largely devoted to evaluations of current policy and to examining future policy options in respect of a number of objectives for rural development. Chapters Three, Four and Five examine the problems of agricultural and farm development, and the possibilities of achieving greater utilisation and mobility in land. It is recognised, however, that a section of the landholding population cannot benefit economically from conventional agricultural programmes. Chapter Six deals with the question of income maintenance among small-holders.

Rural development, of course, is also dependent on policies based outside the agricultural sphere. The maintenance of rural population and employment levels and the promotion of regional and local development are considered in Chapters Seven, Eight and Nine while Chapter Ten is concerned with the problems of providing adequate social services for those living in rural areas.

An appraisal of policies may assess how adequately individual measures meet declared objectives, or it may examine the worthiness of the objectives themselves. But policies may also be assessed in terms of their cumulative effects. Many factors combine to form the particular mix of measures at any point in time and inconsistencies can occur within the policy framework. Thus, while individual schemes are often inadequate in meeting their own objectives the situation is even worse when the cumulative effects of a series of autonomously formed measures are at cross-purposes. For not only may such inconsistency prevent the achievement of stated goals but it can well aggravate the original problems.

On this reasoning Chapter Eleven draws attention to inherent contradictions, the lack of co-ordination and other weaknesses in policy formation. Proposals are made for a more integrated approach, especially in regard to agricultural development.

While this summarises the scope of the Report we wish—as we said at the outset—to place its general theme within a wider context. It is not enough to describe trends and problems even in fairly precise statistical terms; we must try to form some understanding of how and why they occur. This requires us to relate our observations of the Irish situation to our knowledge of rural change elsewhere. We can thus tentatively offer some general explanation to account for what, at first sight, seem to be unconnected experiences. Our proposition is that these Irish problems have many parallels in the more advanced countries such as the U.S.A. They are part of the adjustment process in the transformation of rural society by modern economic forces.

We must, therefore, set out a model or image of the central tendencies in this transformation, of how they affect rural populations, and of how they are manifested in the Irish context. Consequently, the remainder of this Chapter is devoted to a portrayal of the more global dimensions of socio-economic change, using the case of the U.S.A. as the main point of reference.

Against this background the subsequent Chapters will bring the Irish experience into focus.

1.3 The Revolution in Agriculture and its Consequences

Ideas, values, and knowledge are at the root of change. The notion of rationality has been a distinctive organising principle in the western economies over the past two centuries. Rationalism challenged existing ideas about providence and tradition as the basis for regulating human affairs. It paved the way for the use of the scientific and technological methods that have revolutionised agriculture. The rational calculation of economic opportunities and outcomes became a central concern in economic action. In present-day Europe this emphasis on economic rationality is continued. The Common Agricultural Policy of the EEC, for example, stresses, *inter alia*, the rationalisation and optimum utilisation of the factors of production.

The advances in scientific knowledge and in the diffusion of scientific information have transformed agricultural productivity. In the

U.S.A. much of this knowledge was developed by the private sector and its application speeded up by public programmes of education, extension and credit.

A related aspect of on-farm technological development has been the change in systems of transportation and communication. This development in turn has contributed to the centralisation of services and facilities serving rural populations. The functions of the local community as a supplier of farm services have declined.

While agriculture has played a substantial role in modern economic development, it is also in the throes of a major transformation in response to the variables of the economic growth which continues about it (Ball and Heady, 1972, page vii). Technology replaces manpower. Modern technology favours the larger enterprise. To capitalise on the advantages of technology, enlargement of farm businesses and greater specialisation are imperative. The retail demand for food is both inelastic (i.e. unresponsive) to changes in price and changes in *per capita* incomes. An increasing share of retail food expenditure goes to processing and marketing enterprises. These demand conditions, together with progress in capital technology, keep the prices of agricultural commodities down towards the costs of more efficient producers. Capital technology comes in increasingly lumpy form and fixed costs increase. Consequently, to be efficient and remain competitive, and to provide incomes consistent with contemporary standards, farmers must increase the size of the farm unit.

As the scale of the efficient farm unit increases, capital investments assume a prominent place in farming business. Strong market forces accentuate this trend further. In the U.S., for instance, private investment in agricultural research and in the communication of technical information has come to exceed greatly that by the public sector (Heady, 1970). Rapid economic growth elsewhere in the economy adds a further impetus to the capitalisation of farming when it bids higher for farm labour.

The modernisation of agriculture, therefore, is a spiralling, self-generative process encompassing increasing technology, farm consolidation, scale enlargement, specialisation, capitalisation, and high costs—but with the compensation of high incomes for those who can adjust to these developments. While this typifies the U.S.A. experience there are Irish similarities. It will suffice at this point to note

than an analysis of Irish farm management by Healy, *et al.* (1977, referred to the recent emergence of high-cost, high technology, and high-income farming in certain sectors of the farm economy.²

1.3.1 The Consequences

This process has a number of effects but one in particular concerns us here. This is the growth of a dualistic structure within the farm economy.

"Competition among different sizes of farms sifts out those less able to survive the economic, psychological and social pressures. The outside pressures—whether they are government regulations, fluctuating prices or changing markets—seem not to jeopardise the viability of larger and more efficient farm units or agriculture as a whole". (Orazem, 1972, page 76.)

In the U.S.A. the relentless pressure towards dualism became more pronounced during the 1960s. While the economic status of agriculture as a whole and that of many individual farmers showed a definite improvement the division widened between the successful commercial farms and those with under-employment and low incomes. In 1968, the top one-third of U.S.A. farms produced 86% of the country's cash farm receipts while the top 6% produced almost half of the total of such receipts (Orazem, 1972, page 71). Aggregate growth trends can obscure the increasing concentration of production and the relative impoverishment of a large category of farmers. Similarly, in Germany, Bergman (1975) records that the farm viability threshold is rising continually and with the widening spread in incomes, it was not possible now to speak about farming as a single sector with common needs and problems.

This trend towards dualism has, in turn, its own secondary effects. Apart from its social consequences in generating a cumulative process of income inequality and class differentiation, it has, paradoxically a negative impact on the economic development of agriculture itself. Where land tenure patterns or public policies (e.g., taxation or income supports) are not conducive to land mobility between potential

users—as in Ireland—land-holdings accumulate in relatively unproductive hands. Agricultural land falls into low-intensive usage or even dereliction. Immobility of land is matched by an immobility of labour in the absence of a vigorous market for manpower outside of agriculture. Or this market may not be receptive to the type of labour becoming redundant in agriculture.

1.4 Dislocations in the Rural Community

Typically, labour does leave agriculture but in a selective fashion. Those who leave are the younger and more active, though they are often ill prepared for the move. While economic rationalisation theories of agricultural development suggested that less labour was required in farming, aspects of this migration have raised concern. This concern was not always opposed to the movement itself but to the way in which it took place. One observation on the U.S.A. scene is stated thus:

"Hence, while the public, through its development policy, strides forward in replacing workers from agriculture and other activities of the rural community, it has no actual systematic compensation policy to retrain these people, guide them to new jobs, and redress the sacrifices they otherwise make". (Heady, 1968, page 380.)

The displacement of labour from agriculture has in general been associated with a general pattern of economic development revealing a spiral of locational concentration. Economic production and investment, management and labour, public administration and political power, as well as population growth have all tended to become located in a limited number of centres or regions. The movement of labour from agriculture, while conferring benefits in an aggregate long-term sense has imposed social costs at both ends of the population density spectrum. Many agricultural areas have residual populations, with an unbalanced demographic structure which is incapable of maintaining even the former moderate levels of agricultural output. Social infrastructures have become redundant. Rural community facilities and services (e.g., hospitals) are "downgraded" or withdrawn altogether. The rural community itself as an institution has been severely disrupted. By contrast, urban areas must cope with congestion, overcrowding of facilities (e.g., as reflected

²The authors saw this as an undesirable trend, their point, however, being that such farming requires a complex of investment and servicing that could reduce flexibility in responding to possible market or other changes.

in schools and teacher-pupil ratios) and chronic shortages in some items of social provision e.g., as exemplified by permanent "housing lists").

To the extent that structural changes in farming and in traditional rural employments generally are balanced by a reconstruction of the rural economy the movement of people from declining occupations does not require the same geographical mobility as formerly. In more recent times populations classified as "rural non-farm" show increases in modern economies in response to a greater dispersal of new economic activities and the possibilities for commuting to and from urban centres. Nevertheless, this rural non-farm category includes a poverty class of landless people whose livelihoods have disappeared with the forces of change. By virtue of advancing age or fixity of residence they cannot respond to new employments even if the number of opportunities were greater. Their poverty may in fact co-exist with prosperity in agriculture. The locational concentration of modern agri-business can function independently of the local centres and occupations that were traditionally linked to farming.

1.5 Policy Ideologies and Processes

Our model of rural change in advanced economies has so far identified two central elements in the rural problem, viz., the differential consequences of agricultural modernisation and the dislocations in the rural sector generally. A third element is the ideologies built into public policies and the manner in which policy-making responds to problems of change.

1.5.1 Distributive Issues

Agricultural development and universal rural prosperity are assumed to be synonymous. There are, however, definite blockages to the ripple-out of the benefits of growth in rural areas. In the U.S.A. many current farm programmes have been described as relics of an earlier era, developed at a time when the welfare of farm families was equated with the well-being of all rural people. They did not anticipate, nor have they responded to, the vast changes in technology and the consequences of this technology for farm people (President's National Advisory Committee on Rural Poverty, 1967, page 13).

The benefits of price supports go mainly to the larger farms. Similarly, the large producers gain most from direct payments or other incentives offered to curtail production. In addition, large farmers benefit most from agricultural research—in so far as research gains are not passed on to agri-business or to consumers. Soth (1970) claims that the U.S.A. land-grant colleges have devoted the overwhelming proportion of their efforts to the promotion of technologies which support the highest income farmers. As commercial agricultural development and rural development cease to have the same meaning, agriculture's own inherited institutions are incapable of responding to the problems of different categories of farmers, and even less able to play a role in the wider interests of rural development. Again for the U.S.A., Copp (1972) notes that while research staff may have personal inclinations in favour of rural (as distinct from agricultural) development, they are accountable to agriculturally-oriented committees in an institutional environment strongly committed to production agriculture. The pattern is intensified to the extent that the more commercial categories are the best represented at the various points of policy consultations and programme formation.

1.5.2 Limitations in Policy Perspectives

Agricultural policy and administration rely heavily, if implicitly, on the concepts, principles and theories of western economics. The fact that theory represents simplifications of reality is often forgotten in practice. The conventional measures of change tend to emphasise the gross production trends. Private self-interest and public welfare are assumed to coincide. Naïve assumptions are made that all people will respond rationally to economic opportunity. Corresponding to this is a farm advisory tradition focusing on the technical and organisational problems of the individual production unit. This in turn has meant a concern for the problems of the more progressive farmers as well as a neglect of the wider repercussions of change in rural areas.

As a particular example, land and labour are assumed to be "mobile" and adaptive to market conditions. Commodity price rises and expanding technology are expected, usually by technical scientists, to produce higher levels of agricultural growth. Such simplistic reasoning leads to bafflement when expectations are not realised. Indeed the reverse occurs. This is because the real blockages are structural,

beyond the level of the individual's control. In other words, there are forces—of the kind already described in this Chapter—operating within the agricultural economic system which strongly differentiate between farmers in respect of their individual capacity to respond to policy measures. Paradoxically, increasing prices and greater commercialisation, in this instance exacerbate these structural constraints.

Related to this economic perspective is the planner's general pre-occupation with aggregative trends and statistical averages. These indicators have the merit of simplicity but are often misleading. There is an unwillingness or inability to take serious account of the differential response to, or differential impact of policies. One of the main aims of the EEC Common Agricultural Policy is the greater equalisation of agricultural and non-agricultural income. Yet, in this context little or no attention is given to income variation within each sector and to reducing inequalities there.

1.5.3 Policy Agencies and Administration

Modern economies have given rise to a complexity of organisational structures to implement policy. This has two problematic aspects for rural populations. The first is the shift of power from local to national and even supra-national level, a move which is likely to lessen the representation of weaker rural communities or sectors in the decisions affecting their lives. The second concerns the effective functioning and collective impact at local level of a multiplicity of organisations with specialised objectives, services and staffs. On this latter issue we may advert again to the American experience, as portrayed by Sorensen and Hartman (1976).

Early organisational structures in rural areas had a basis in the functional needs of local communities. Control and operation of local institutions resided locally. With the pursuit of established societal goals (such as national economic development) agencies became more centralised, specialised and complex. The pursuit of the rational organising and control principles of bureaucracy resulted in organisations becoming more self-enclosed systems, with communication focused inwards and with internal criteria for measuring effectiveness and performance. Thus, the primary attention is no longer given to serving the organisation's clientele or to improving

ways for meeting their needs. Maintaining the internal order of the organisation and pursuing organisational self-interest provide their own justification for organisational practices. Moreover, the preservation of autonomy or perhaps the competition between agencies, rather than co-operative endeavour, become the dominant reality. With problems identified in such self-interest terms the capacity of organisations to cope with issues locally is considerably lessened. Government bureaucracies, with "top-down" designed programmes, executed by professionals with narrow disciplinary expertise and serving specialised categories of need, further add to the problem.

However, to counteract this situation various mechanisms are now being sought to establish better working relationships between agencies with complementary interests. The need for co-ordination of the actions of various agencies is realised but any surrender of its entrenched interests by a single agency is difficult to achieve.

1.6 Model or Warning?

The issue had been raised (Stockdale, 1977) whether U.S.A. agriculture is a model to be emulated or a warning to be heeded by less developed countries. There has been serious questioning by eminent social scientists of the manner in which agricultural and rural change have evolved in response to policies based primarily on economic considerations and on the simplifying assumptions of economic theory. There is now greater recognition of the wider sociological implications of the transformation in agriculture, of the relationships between this and overall goals in society, especially the persistent distributive issues involved.

Remarkably, the leader in this newer thinking is the distinguished economist, Earl O. Heady, whose earlier writings contributed immeasurably to American farm economics and agricultural development.³ He and his colleagues are now drawing attention to the inadequacy of conventional productionist agricultural policy to cope with the economic problems of most farmers, to the fact that many of the positive effects of market forces in the past were now turning negative, to the necessity for a wider concept of economic and social

³The thinking of Heady and his colleagues is found in the various publications of the Iowa State University Center for Agricultural and Rural Development, but principally in Heady *et al* (1970), Ball and Heady (1972), and also Heady (1968).

development in rural areas, to the need for policy-research to trace out the full impact of policy instruments, and to the need for agricultural research and education generally to give more emphasis to issues neglected in the past—such as the secondary social adjustments engendered in rural populations in the wake of technological development.

1.7 Conclusion

The problems of change and development in rural Ireland are seen as manifestations of the major technical and socio-economic transformations that have already occurred in advanced countries. We have tried to identify the central features of these with particular reference to the U.S.A. The commercialisation of agriculture leads to impoverishment for some farmers as well as prosperity for others. The departure of labour from agriculture, essential as it is for agricultural development, imposes social costs both in terms of rural community decline and urban congestion. Agriculture's inherited institutions and policies are no longer capable of responding to the problems of different categories of farmers let alone play a wider role in rural development. Rural development agencies with their own policies emerge in response to specific needs and thus function with little co-ordinated effort at local level.

The parallels between the U.S.A and Ireland should not be overdrawn. However, as the analysis proceeds in the following chapters the main similarities will become apparent.

CHAPTER TWO

RURAL IRELAND: SOME MAJOR PROBLEMS

2.1 Introduction

We deal here at some length with what we regard as the main problems of the Irish rural economy. The intention here is to select what we consider to be the major "second-generation" problems arising from the process of change as we have characterised it in Chapter One, and to place these more closely in the Irish context by analysis of relevant empirical data. Second generation problems are those unintended consequences of technical progress. What one describes as a "problem" in this context is very much a matter of the vantage point and value position from which one assesses the complex distribution of the costs and gains arising from the major processes of societal change. Our selection of problematic issues at this point (others will be discussed in subsequent chapters) is confined to:

- (a) Demographic and social decline;
- (b) the differential impact of economic change on various categories of persons; and
- (c) the poor economic performance of a large sector of Irish agriculture.

In treating empirical data, only the most necessary summary tabulations are presented in the text, with the main or full Tables in the Appendix.¹ Generally, the emphasis is on regional variations but at various points we have chosen to illustrate the sub-regional aspects of the problem at hand by reference to County Clare. Clare is not the

¹The numbering of Appendix Tables as distinct from text tables, is prefaced by the letter A, e.g., Table A.1, etc.

extreme case of rural decline; it is not the most physically handicapped nor is it unfavourably located; it has had the benefit of intensive public investment in industrialisation, and yet the varying trends within the county serve to indicate how intractable are some rural problems at local level.

In relation to regional data it should also be noted that the delineation of regions used is different from the planning regions—unless indicated otherwise. It is based on clusters of adjoining counties, which within them, show broad similarities in the rural-urban make-up of their populations and notable differences between clusters in demographic structure and experience. Planning regions, it is implied, do not show up sharply enough the demographic contrasts between groupings of counties.

Some preliminary description of the rural sector is essential.

2.2 The Rural Areas

Aggregate national population statistics conceal the extent to which the Irish population is a rural one. So much of the urban population is concentrated in a single area² that only its exclusion by regional analysis will reveal the degree of rurality in the Republic. Nationally about 48% of the State's population live outside of towns of 1,500 persons upwards—this being the census classification of "rural". Only two (Dublin and Louth) of the 26 counties have an urban majority and all of the western counties are predominantly rural (Table 2.1). Excluding County Dublin from the national statistics gives a rural population of 66%.

2.2.1 The Rural Non-farm Population

Approximately one half of rural dwellers—by census definition—are non-farm people. Although this category forms an increasing proportion of the rural population, due both to the absolute increase in their own numbers and the continued decline of the farm labour force, it can be argued that the problems of most regions are still predominantly those of an agrarian community. Conversely, rural development may be seen as basically a problem of regional development.

²Dublin and county account for 53% of the population of towns with 1,500 persons or more

TABLE 2.1
Variations in Regional Population

Region	% of State Pop.	% Rural	Composition of Rural Working Population, 1971. (%)		
			Primary ¹	Secondary ²	Tertiary ³
<i>Dublin</i> (Total County)	28.6	3.5	23	32	45
<i>East</i> (Kildare, Louth Meath, Wicklow)	9.6	59.2	39	28	33
<i>South</i> (Cork, Waterford, Limerick, South Tipperary)	21.5	49.1	50	21	28
<i>South-East</i> (Carlow, Kilkenny, Wexford)	6.1	69.2	52	19	29
<i>Midlands</i> (Laois, Offaly, Westmeath, N. Tipperary)	6.9	66.7	57	17	29
<i>South-West</i> (Kerry, Clare, Galway)	11.3	73.8	61	15	26
<i>North</i> (Sligo, Cavan, Donegal, Monaghan)	8.6	81.6	54	20	25
<i>North-West</i> (Mayo, Leitrim, Roscommon, Longford)	7.4	85.9	66	12	23
Total	100	47.8	53	19	27

¹ Agriculture, Mining, Forestry and Fishing.

² Manufacturing and Building.

³ Services, etc.

Source: Derived from Census of Population, 1971.

Non-farm rural dwellers are likely to be a heterogeneous grouping in their demographic social and economic characteristics. However, there is little statistical data available directly for them as a census category. The Household Budget Survey does classify its returns separately for rural non-farm households but since the definition of rural used in this case refers to people living outside of towns of any size, the Household Budget information relates, for all practical purposes, to non-farm people living in the open country areas. Nevertheless, an analysis of the Survey results³ gave a revealing profile of this segment of the rural population (Table A.1 and Tables 2.5 and 2.6).

On a gross, superficial comparison with farmers or urban dwellers, rural non-farm households do not appear to be a socially deprived category. It seems however, that the aggregate picture masks the existence of wide variations between sub-groups. Among rural non-farmers there is a very disadvantaged section, who are even worse off than the small (<30 acre) farmers. These would include the relatively high percentage of non-farm households in which persons live alone—18% compared to 14% for small farmers and 7% for large farmers. Comparisons between single person households only show the median income per week of rural non-farm householders to be two-thirds that of small farmers and only about half that of larger farmers.

The other distinguishing feature of the comparisons was the proportion of households with medical cards. These accounted for 53% of the non-farm category, but only 39% of farmers and 25% of urban households.

2 A Demographic and Social Decline

2.3 Population Trends

Historically, loss of rural population has meant a depletion of the national population as well. The early sixties saw the beginning of a period of recovery and stability. Aggregate rural population continued to decline, however, though slackening to a drop of 3% in 1961–66 and to 1% in 1966–71.

Again regional variations show the significant contrasts, especially the lesser tendency of the predominantly rural western regions to

³Including unpublished data supplied courteously by the Central Statistics Office

achieve any overall population stability. In the 1960s, when there was a general reversal of the historical declines, the North and North-West regions continued to show a loss. In fact the decline in the latter region continued at almost the same rate as in the 1951–61 interval (Table A.2).

The components of population change also show sharp contrasts as between east and west (Table A.3). Comparatively low birth rates and high death rates result in low rates of natural increase in western counties. Furthermore, in these counties the rate of emigration tends to be greater than the low rate of natural increase, thus accentuating population loss. The following tabulation summarises the dynamics of population change in contrasting regions.

Annual Average Rates per 1,000 Annual Average Population 1966–71

	Births	Deaths	Natural Increase	Net Migration	Change
<i>East</i> (Kildare, Louth, Meath, Wicklow)	23	10	13	+3	+16
<i>North-West</i> (Mayo, Leitrim, Roscommon, Longford)	17	14	3	-13	-10

2.3.1 Some Age-Cohort Trends

Total population data presented in this aggregate form conceal more complex trends which should caution against making generalisations too readily. It is, therefore, desirable to examine what has been happening to age categories—especially the vital age cohorts of 20–29 years. It can be seen from Table 2.2 below that the percentages and numbers of males who were married increased between 1961 and 1971 in both rural and urban areas.

TABLE 2.2

Males Married: (% in brackets)

	Aged 20-24		Aged 25-29	
	1961	1971	1961	1971
Aggregate Urban Areas	4,432 (11)	12,190 (20)	16,655 (46)	30,049 (61)
Aggregate Rural Areas	1,572 (4)	4,762 (10)	7,045 (20)	14,449 (38)

Source: Census of Population.

Note: Urban areas include all centres of 1,500 persons or more at census date.
Rural areas are those outside of these centres.

Examining corresponding cohorts on a regional basis, we see similar trends occurring in all regions (Table A.4). Increases in the *total* numbers of males and females in these age groups were also manifest in all regions by 1971 (Table A.5).

In absolute terms, therefore, there has been some demographic improvement in the aggregate rural areas and in the predominantly rural regions. But, clearly, the rural improvements are overshadowed by those of urban areas and marked demographic differences remain between the two populations. Despite the stability and growth evident in the rural 20-29 year-old age groups by 1971, this age-cohort still represented only 30-50% of the children who grew up in these rural regions.

2.3.2 Sub-County and Peripheral Areas

It is when we get below the county level that we see the real extent of the continuing decline in local and in the geographically more peripheral rural populations. Two sets of statistics will illustrate this: size-of-place and Rural District data.

Although stability in total population numbers is to be observed in rural towns and villages (centres of 200-1,500 persons) decline has been continuous and widespread in open country areas (Table A.6).

The most relevant information on Rural District trends can be seen by comparing *rates* of change between the 1961-66 and 1966-71 intercensal periods. For the 155 Districts outside County Dublin the position is as follows:

		%
Depopulation Rate	Accelerated	16.8
	Reduced	40.6
	Reversed	22.6
Population Growth	Accelerated	15.5
	Reduced	0.6
	Reversed	0.6
Other Trends		3.2
Total		100.0

Expectedly, 21 of the 26 Rural Districts with accelerating population loss were in the western part of the country—Kerry to Donegal. Only one of the 24 Districts with accelerated growth was in this territory. In the aggregate, 59% of Rural Districts were still areas of population decline in 1966-71.

This trend is confirmed by reference to the more local area census unit, the District Electoral Division (DED). Fewer rural DEDs had population losses in 1966-71 than in 1961-66 but there were also clear regional differences in these local changes (Table 2.3). In the latter period over 70% of DEDs in the western and northern counties had declining populations—compared to 26% in the belt of eastern counties around Dublin.

Taking the evidence from both Rural District and DED changes together, we can sum up the general situation on rural population trends at local level by saying that about 60% of localities continued to have losses even during the period of national population recovery in the late 1960s.

TABLE 2.3

Population Change by Rural District Electoral Division

Region*	DED Nos.	1961-66		1966-71	
		DED Population		DED Population	
		% Increasing	% Decreasing	% Increasing	% Decreasing
East	285	49	46	70	26
South	621	34	61	41	53
South-East	281	32	63	48	44
Midlands	364	32	64	37	59
South-West	528	18	77	25	71
North	383	13	85	26	71
North-West	393	11	88	9	87
Total	2855	26	70	35	61

* See Table 2.1

Source: Derived from Census of Population.

2.3.3 Co. Clare as an Example

The varying trends within County Clare indicate the experience of different types of areas depending on geographical location (whether remote-peripheral or central). Clare, as we have said, is not the extreme case of rural decline. Most of the county is within relatively easy reach of urban centres. Yet the contrasting trends within the county are quite sharp.

The 1951-71 demographic trends show a recovery and growth of population in the Ennis/Environs area,⁴ a slowdown of population loss in Mid-Clare,⁵ but a continuation of decline in West-Clare.⁶ In 1966-71

⁴The Ennis Environs area, consisting of Ennis Urban Districts, Ennis Rural, and Meelick Rural District.

⁵Mid-Clare, comprising the Rural Districts of Tulla, Scariff and Kildysart.

⁶West-Clare, consisting of Kilrush Urban and Rural Districts, and the Rural Districts of Ennistymon, Ballyvaughan and Corofin.

this rate of decline was about the same as in 1951-61 (Table A.7). If the changes in the younger age cohorts are seen as the indicator of demographic vitality or decay, then the widening disparities between centrally located and remoter areas become obvious, as the following tabulation shows:

TABLE 2.4

Percentage Population Change 1961-71

	0-14 Years		15-34 Years		35-44 Years	
	M	F	M	F	M	F
Ennis/Environs	+34	+35	+47	+44	+6	+6
Mid Clare	-11	-7	+11	+6	-26	-28
West Clare	-18	-16	-7	-1	-24	-29

While emphasising problems of decline here, it must not be forgotten that a minority of rural communities have to contend with problems of growth. These are most likely to be the needs of new households such as housing and school facilities.

2.4 The Process of Social Decline

Population decline is not merely a process of numerical change. The nature of the decline is so selective, especially in terms of age that it disrupts the natural balance between age groups. Current population decline in rural areas is partly due to the declines of the past which have left behind rural communities incapable of population renewal. Many of the more remote rural areas now have a natural decrease as the older, high mortality age groups predominate. In the 1971 Census, for example, County Leitrim which typifies the more disadvantaged areas showed a natural decrease for 1966-71.

The single most powerful determinant of differential population change is the extent to which the movement of labour out of agriculture is offset by employment becoming available outside the

farm sector. This varies widely. For example, 1961–71 trends show that for every decline of 100 persons in agriculture in the eastern counties there was a growth of 197 others in jobs outside farming. The corresponding growth figure in the North-West was 16 (see further, Section 7.4).

In any case the residual population of declining communities constitutes a poor base for economic development—or indeed for maintaining whatever levels of agricultural development exist. Residual populations become increasingly dependent on social welfare while agricultural land is likely to fall into disuse and output to decline (Section 2.8). A low density of population together with a geographical remoteness results in poorer quality public services and facilities. This reduces the attractiveness of the rural area still further. Local and community development becomes difficult or impossible in the absence of a sufficiently broad population base for the natural emergence of community leadership. People feel that their society does not function for them; their morale is low; they lose belief in their own community which they see as offering neither social advantage nor compensatory dignity. (Brody, 1973).⁷

2 B Socio-Economic Differentiation

As a country modernises, there is a tendency for the rural sector to be incorporated into the mainstream of economic and social life. That is, rural and urban citizens come to have similar rights (e.g. in welfare benefits) and responsibilities (e.g. payment of taxes). The growth of a rural non-farm population creates social diversity within rural areas and this diversity lessens the traditional separateness of the rural sector. As agriculture modernises, rural-urban differences decline in terms of income levels and life styles.

This general portrayal of the process of change needs considerable refinement. In fact, it is a basic argument of ours that social and economic differences remain and even become accentuated—between rural areas and between different social categories. We use the concept of “socio-economic differentiation” to describe this trend.

⁷A state of mind referred to by Brody as “demoralisation”.

2.5 Some Regional Differences

There is clear evidence of wide regional and area differences in several socio-economic indicators, in addition to the demographic trends already outlined.

An earlier NESC Report (Report No. 30) noted that personal incomes increased in all counties in real terms between 1969 and 1973. With even the poorest counties having significant increases in income there was a lessening of relative disparities in rural income per head between the East and other regions. Nevertheless, the ranking of planning regions in terms of income *per capita* has not changed since 1960 and, perhaps more importantly, substantial differences remained. Additionally, there can be wide differences within regions.

Census data on domestic water and sanitary facilities provide an indication of levels of living. The latest data available (from the 1971 Census of Population) are likely to underestimate the level of current provision but at least the 1961–71 trends still show wide regional disparities remaining at the end of the decade despite improvements made (Table A.8). Dwelling numbers in the North-West (Longford Leitrim, Mayo and Roscommon) declined from 62,800 in 1961 to 58,100 in 1971. Yet the percentage decline in the numbers of dwellings without piped water was lower (41%) than the corresponding decline (48%) in the East (Kildare, Louth, Meath, Wicklow). And the North-West had already a larger backlog of dwellings without piped water to begin with—73% in 1961 compared to the Eastern counties 48%.

2.6 Social Category and Class Differences

The Household Budget Survey (HBS) of 1973, already referred to (Section 2.2.1), provides a basis for comparing different categories of the population in respect of household incomes and expenditures. As the Survey is concerned primarily with measuring expenditure, it cautions that its data on incomes have to be treated with some reservation when used for comparisons between households with different sources of income. However, household expenditure may be considered a good proxy for household income as well as an indicator of differences in levels of living across social groups. In this section both income and expenditure data are used and they show broadly similar variations.

2.6.1 Social Category Differences

In the HBS of 1973, the median weekly household income in urban areas, at £37.6, was £9 more than the corresponding rural figure (Table 2.5). Within the rural population, as shown previously, the non-farm category had a lower median income than farmers.

Interestingly, *average* weekly household *expenditure* in urban areas, at £45, was over £9 greater than the corresponding rural figure. Within the rural population itself the farm and non-farm categories had similar average household expenditures (£36 per week). Yet the following more detailed analysis shows substantial differences between certain categories of rural household in average weekly household expenditure (See HBS, 1973 Vol. 4, Table 4, p.36):

Households	£
Farmers	36.14
Other self-employed	49.95
Agricultural workers	33.06
Other employees	48.80
Out of work	28.27
Retired	23.28
Other	25.38

Further data on household expenditures (HBS, 1973, Vol. 1) show urban consumption to be higher than rural within each planning region. The same is true at national level for all household sizes and for five out of six socio-economic groups.

TABLE 2.5
Distribution of Gross Weekly Household Income, by Household Category, 1973

Category	Below £20	£20-40	Over £40	Total %	Median £
Urban	20	34	46	100	37.6
Rural	33	34	33	100	28.5
Farm	31	32	37	100	29.8
Non-Farm	35	36	29	100	27.7

Source: Derived from Household Budget Survey, 1973.

Rural non-farm households are generally smaller than farm households but even if the comparison is confined to one adult households their incomes compare unfavourably with farmers—even the smaller farmers, (Table 2.6).

TABLE 2.6
Gross weekly household income (GWHI), by social category and type of household

Percentage with GWHI below £20				
Category	1 Adult	2 Adults	3-4 Adults	Other
Urban (non-farm)	9.3	5.7	1.0	0.02
Rural (large farm)	4.7	5.0	2.7	0.70
Rural (small farm < 30 acres)	11.4	14.7	4.0	0.00
Rural (non-farm)	16.2	13.8	2.6	0.00

GWHI: Median (£)

Category	1 Adult	2 Adults	3-4 Adults	Other
Urban (non-farm)	10.4	28.4	49.1	73.9
Rural (large farm)	13.4	24.7	38.7	51.5
Rural (small farm < 30 acres)	10.3	16.7	29.5	54.5
Rural non-farm	6.6	14.7	32.4	69.4

Source: Household Budget Survey 1973, Unpublished Data.
N.B. data refer to sampled households, unadjusted.

2.6.2 Inter-Farm Differences

Much of the public debate on farming policy and pricing measures has centred on the disparity between farm and non-farm incomes, and on the need to bring farmer incomes up to those of other occupations.

Quite often, however, the discussion is conducted with reference only to comparisons of simple average measures of income. These averages have little meaning for this purpose since they neglect considerable income variations both within farming itself and in other sectors. Data from the Household Budget Survey and from the Farm Management Surveys of An Foras Talúntais show the range of inter-farm incomes (Table 2.7).

TABLE 2.7

Variations in Weekly Household Income 1973: Medians

Category	Income Per Person Per Week	Gross Household Income Per Week	Disposable ¹ Household Income Per Week
	£	£	£
Urban and Rural Non-Farm Farms: (acs.)	9.04	38.0 ²	31.3 ³
<10	6.72		23.3
10-15	7.05	23.0	20.5
15-30	8.26	27.5	26.6
30-50	8.32	30.2	29.7
50-100	10.02	44.5	43.2
100-150	10.81	55.0	55.0
150+	14.25	73.3	68.3

¹ Gross Income less direct taxation.

² Urban non-farm only.

³ All Urban: £37.3.

Source: Household Budget Survey, 1973, unpublished; Heavey, *et al.* 1975

Leaving aside variations within urban areas for the moment, we see that farmers of over 50 acres had median incomes above those of the non-farm population in 1973. Admittedly, 1973 was an exceptionally good year for farm income.

Large farmers (those with over 150 acres) had median weekly

household incomes which were more than double those with less than 50 acres. The differences were not quite so great, however, when incomes were calculated on a per person basis.

Again, comparisons of household *expenditures* show similar disparities. The following tabulation shows the variations in *average* household expenditure for different farm categories (HBS, 1973 Vol. III):

Households	£	Index
Rural Farm: Acreage farmed		
< 30	28.09	68
30- 50	33.76	82
50-100	42.44	103
100 and over	50.03	121
All Acreages	36.14	88
Rural Non-Farm	35.92	87
Urban	45.29	110
All (Rural and Urban)	41.28	100

The largest size group (over 100 acres) of farm households had nearly 80% more expenditure than the smallest acreage (under 30 acres) group. In fact, the 100 acres-and-over farm households had expenditures which were 20% above the average for all rural and urban households.

On a regional basis farm households in the eastern counties (Louth, Meath, Kildare and Wicklow) had average weekly expenditures comparable to all urban households. Nationally, the larger farmers (100 acres) upwards had a level of weekly consumption higher than most non-farm socio-economic groups, and roughly equivalent to that of certain categories of salaried workers.⁴

Some further data on inter-farm differences, this time relating to household facilities, are contained in Table A.9.

⁴For example, farmers at 100 acres and over had a total weekly expenditure of £49.8, just slightly greater than that of Social Group 2, i.e., Salaried employees (See Household Budget Survey, 1973, Vol. 1, Appendix 11).

2.6.3 Inter-Farm and Intra-Urban Differences

Farm Management surveys confirm the high degree of income variation within farms. In 1975 the returns on the largest Munster farms (£7,600 average family farm income on farms of over 200 acres) were ten times greater than on the small western farms (£740 on farms of 15-30 acres). These are the extremes, however. But even a comparison of incomes on 100-200 acre farms in Munster with those of 30-50 acre units in Connacht shows the southern returns to be about three-and-a-half times higher. (Table A.11). Farms with incomes above £4,000 represented 21% of those in Leinster, 27% of Munster farms, but only 4% and 6% of Connacht and Ulster holdings respectively (Table A.10). For greater comparability with previous tabulations, average family farm income per week for each acreage category can be listed as follows (Table 2.8):

TABLE 2.8

Average Family Farm Income per Week, by Acreage Category, 1975

Acreage category (full-time farms ¹) 1975	Farm Income (£)
5-15	9.8
15-30	18.2
30-50	34.8
50-100	49.5
100-200	86.8
200+	126.7
All sizes	48.0

¹Those with at least 0.9 of a labour unit on the farm. That is the comparisons are unlikely to be distorted by a high incidence of off-farm earnings on the smaller farms.

Source: Heavey *et al.* (1975).

Again these data show the farm of over 100 acres to have on average, over two-and-a-half times the income of those below 50 acres.

Having shown these inter-farm income differences we may now note the average weekly disposable income of urban households over the range of non-farm socio-economic groups. According to the 1973 HBS this was £32.8 for Group 5 (manual workers, semi-skilled and unskilled) but rose to £55.3 for Group 1 (professional, employer or manager). Average weekly household expenditures for these groups were £39.2 and £64.3 respectively.

To summarise the implications of these various data, it is clear that pre-occupation with farm and non-farm differences in incomes, based on single measures such as averages, obscures the more fundamental differences within the farming sector. Moreover, these are widening further as shown below.

2.7 Growing Differentiation Among Farm Groups

The emphasis so far has been on static comparisons of socio-economic differences from a regional, rural-urban, or farm size perspective. We have presented no information in relation to growth or decrease of these differences over time. Limitations of the data (e.g. on household budgets) do not readily allow trends to be plotted over the longer-term. However, two other sources of data may be tapped to construct trends in indicators of socio-economic differentiation. These are (i) national farm income surveys, and (ii) the census of population demographic data. We shall deal first with the farm surveys.

2.7.1 Differential Rates of Growth in Farm Income

Farm management studies, initiated by the Central Statistics office in 1955 and continued in the 1960s and 1970s by An Foras Talúntais, provide a basis for comparing changes in farm incomes by farm size over time. The 1955 returns were taken as the base year and subsequent changes indexed therefrom. Since the choice of base-year influences the final-year outcome of the index, changes were also calculated using the 1966-69 data as the base. The results are summarised in Table 2.9.

The conclusion to be drawn from this exercise is clear: all farm sizes show increases in family farm income but the larger farms show the higher percentage increases. This is true despite the proportionately greater increases in farm costs on the larger farms.

TABLE 2.9

Index Changes in Family Farm Income per Farm — 1955-75

Period Averages	Size of Farm — Acs.					
	5-15	15-30	30-50	50-100	100-200	200+
1955-58	100	100	100	100	100	100
1966-69	82	84	108	130	130	126
1972-75	150	178	249	287	355	354
1966-69 1972-75	100 183	100 213	100 229	100 220	100 274	100 282

Source: Derived from National Farm Survey 1958, CSO; Farm Management Surveys, (various), an Foras Talúntais.

Quite obviously, the relative position of the smaller farmer is deteriorating with the income gap between himself and his larger counterpart becoming wider. Modern technology despite its costs (or should we say because of its costs) favours the larger farmer, this advantage being reflected in higher gross and higher net earnings. Scale economies provide a wider profit margin and this in turn improves the competitive position of the larger farmer in the market for extra land. Given the high incidence of owner occupancy in land, this land market is comparatively limited in the first place. The smaller farmer—even the efficient small farmer—finds it increasingly difficult to make the adjustments required by a modernising agriculture.

Moreover, the claims made for greater public support through higher prices and through other concessions to agriculture, though advanced with legitimate concern for the welfare of the smaller farmers, are unlikely to bring them gains commensurate with their proportionate representation in the farm population. The relatively slow increase in small farmer incomes is associated with stagnating or even declining output—a complex issue in itself and one to be taken up in the last part of this chapter. Price supports and subsidisation, if based on the idea of

maintaining parity of *average* incomes between farmers and others, are unlikely to change the material circumstances of the smaller farmer but rather to improve the strong economic position of his larger counterpart. It is true, of course, that many small farmers have supplemented their incomes from other earnings. On the other hand, there is likely to be a category of full-time, efficient and occupationally committed small farmers for whom agricultural modernisation and adjustment creates as many problems as opportunities.

2.7.2 Inter-Farm Differences in Life Chances

Use of the demographic statistics from the Census of Population provides us with the second basis for establishing indicators of socio-economic differentiation within the farming sector. Here, the concept of "life chances" and the rationale for the analysis presented under this heading require a word of explanation.

Recent studies (Johnson and Conway, 1976; Conway 1976), show that the process of adjustment in Irish farming over the past 20 years is associated with demographic decline and "family failure" on the smaller farms. No offspring or young people are retained on farms, or those who remain have little opportunity for marriage. This suggests an analysis of the marital status of various acreage size categories of the farm population to discern whether differences in marriage rates are emerging between farm size categories over time. Hannan (1977) has in fact shown clear variations in marriage patterns in the agricultural population and some of his analysis is replicated here.

By assuming that the changing proportions married in the selected categories reflect different marriage opportunities we have an empirical measure or indicator of the concept of "life chances". Changing patterns of life chances as well as of "life styles" are crucial elements in social differentiation and stratification.⁹ Of course, incomes on the lines in which we have discussed them are also indicators of life chances, determining the degree of access to material resources and to opportunities for improving one's situation.

The percentages single over 55 years may be accepted as representing the proportions of farmers who never marry. This proportion increased nationally from 14% in 1926 to 28% in 1971.

⁹A category of people with similar life chances may be regarded as a social class. Of the demographic indicators of life chances, the most elementary are life expectancy and marriage opportunity.

Though these increases were apparent for all acreage groups below the 200-acre category, they were not nearly as pronounced in the larger farms. In Table 2.10 we give the highest, lowest and intermediate acreage categories to show divergent trends in sharp contrast.

TABLE 2.10

Variations in Marriage Patterns of Farmers, Classified by Acreage Size

Acreage Category	Single Males Over 55 Yrs. as % of All Farmers Over 55 Yrs. in Acreage Category		
	1926	1951	1971
0-15	15	25	35
50-100	13	19	23
200+	14	17	13

Source: Census of Population.

Even if the under 15 acre category is discounted as outside the mainstream of the general farm population, the corresponding increases in the 15 to 30 acre and 30-50 acre classes were of a similar order of magnitude—from 13% to 33% and 27% respectively.

These disparities between farm-size categories are not confined to this older age group. A more complete picture of the developing social stratification within the farming population is to be observed from the tabulation below (Table 2.11).

TABLE 2.11

Percentage of Male Farmers Unmarried in selected Age Groups, Classified by Farm Size Categories

Farm Size (acs.)	25-34			35-44			45-64		
	1926	1951	1971	1926	1951	1971	1926	1951	1971
under 15	52	57	62	34	39	52	21	32	42
15-30	53	59	61	31	38	49	18	29	39
30-50	50	55	64	28	36	43	17	26	33
50-100	50	51	48	28	32	33	16	23	26
100+	51	47	37	29	27	25	17	21	21
Total	51	55	51	30	35	39	18	26	32

Source: Census of Population.

In 1926, for all of the three age groups, little difference existed between acreage categories in respect of the marital status of the male farm operators. By 1971 this situation had changed dramatically. Marriage rates now varied widely by farm size,¹⁰ the percentage single on the smaller farms increasing substantially. On holdings below 30 acres the rates are about double those in the 100 acre class for age groups over 35 years. It is obvious that marriage prospects have declined considerably on the smaller farms, and indeed such is the case to some extent on all farms below 100 acres. These demographic trends accentuate (and in turn are affected by) the economic differences already noted between farm-size categories.

In summarising our data on socio-economic differentiation, we may say that there is clear evidence of socio-economic differences within the rural population. The rural non-farm category, while likely to be a heterogeneous group, certainly contains a disproportionate share of social deprivation. In the farm population, farm size is a marker of a set of socio-economic characteristics, the changes in which increasingly partition the farming community. The real social distinctions to be made are no longer those of a rural-urban or a farm-urban dichotomy. Larger farmers, in terms of income, consumption, levels of living and marriage prospects compare favourably with the urban middle-classes. Smaller farmers on the other hand (especially those below 50 acres) tend to regress towards a different and deteriorating class position.

2 C Adjustment Problems in Agriculture

The implication of the marital trends outlined above extend beyond their impact on the life prospects, self-view and social status of individuals. It has now been established¹¹ that the dynamics of Irish demographic change, through what they entail for household composition and family formation at farm level, are directly linked to the economic growth performance of the agricultural economy.

¹⁰While the emphasis in this section is on farm-size differences, changing marriage rates on farms—as we will show later in the context of declining agricultural growth—are really regional in character, being associated with the dissolution of the traditional farming economy of the western counties.

¹¹For example, by Johnson and Conway (1976) and Conway (1976)

2.8 Dualism in Agricultural Growth: The Structural Causes

The growth performance of Irish agriculture has been well analysed in various publications in recent years. Generally speaking, the Irish record over the past two decades compares favourably with that of most developed economies, with the exception of the Netherlands. Nevertheless, there are some reasons for concern about present trends in Irish agricultural output.

Firstly, the rate of expansion seems low in relation to the inherent potential of Irish land, especially if exploited by modern agricultural technology. Secondly, growth rates have not come up to the levels expected on EEC entry. Thirdly, even if the growth rate is considered satisfactory by international comparisons, this aggregate picture obscures considerable variations within sectors of the farm economy. The substantial growth among one category of farmers is offset by static or declining output among another group. Some farmers can make a positive response to market possibilities, others seemingly cannot. Our view is that the basic reasons for this cannot be entirely attributed to the individual farm operators, their attitudes or personal characteristics. The thesis here is that, paradoxically, the poor performance in a sector of Irish agriculture is in essence an outcome—however much unintended—of the particular manner in which the whole process of agricultural modernisation is taking place. In other words, the major barriers to growth are structural; the problems lie as much within the organisation of the agricultural industry and its policies as a whole as within the organisation of the individual farm. For example, the unmanaged forces of commercialisation create several negative impacts, which in turn impose constraints on agricultural development. We have just seen the way in which inter-farm marriage rates have diverged in recent years. These have implications for family structure and land use. The adjustment process requires a smaller farm labour force but the movement of labour is selective, leaving behind a residual, economically dependent population. Assumptions about subsequent resource mobility turn out to be invalid; land is not mobile but accumulates in unproductive hands. Conventional commercialisation/modernisation policies offering economic incentives cannot evoke a response from this residual population but may even add to its numbers. Merely increasing agricultural prices or disseminating more

technical knowledge consolidates the viability of those already well-circumstanced. With the static or declining performance of the other segment overall growth rates remain below what the inherent potential would suggest.

2.8.1. Farm Size, Household Structure, and Growth

The bigger farms, those over 50 acres, are now contributing relatively more to total output than previously. Productivity, in terms of output per acre also increases with farm size. So does efficiency, expressed as costs per unit of output (Kearney, 1975). But any determinism here cannot be traced to size, *per se*, given that population characteristics, household composition, and various social class differences (e.g., education) vary by farm size.

In their extensive analysis of factors associated with growth in farm output, Johnson and Conway (1976) and Conway (1976) used the concept of net product¹² per adjusted acre to compare growth on samples of farms during 1955–1974. Comparisons on this measure between farm size groups were made in respect of (i) average money values at different points in time, (ii) changes in volume. Analysis showed that in 1955–57 the level of net product per adjusted acre declined consistently as farm size increased. However, by 1972–74 this relationship had been reversed for some regions and weakened for others. Rates of growth were also higher on the larger farms. But, most significantly, whatever increases in *volume* of net product took place occurred only on farms of more than 50 acres (Table 2.12).

An earlier analysis (Conway 1975 pp 15–20) showed that when comparisons were made between categories of farmers, similar with respect to soil-type and farm size, the farming performance was better on those which had 'good demography', and at least one adult male working full-time on the farm—or the equivalent of this. By 'good demography' was meant situations where: (i) the household had pre-school or school-going children and was headed by a male; (ii) the household included a married couple under 45 years; and (iii) the household included at least one male under 45 years.

We have already adverted (Tables 2.10 and 2.11) to census

¹²Roughly defined as the sum of family farm income, payments to hired labour, annuities, rates and rents for land; it represents the return to land, labour and capital used in the farm operation (Johnson and Conway, 1976).

TABLE 2.12

Estimated Annual Average % Change in Volume of Net Product Per Adjusted Acre
1955-57 to 72-74

	5-15 acs.	15-30 acs.	30-50 acs.	50-100 acs.	100-200 acs.	200+ acs.
East and Midlands	-2.8	-1.6	-0.4	+0.9	+1.3	+1.9
South	-2.5	-1.2	-0.4	+0.3	+1.1	+1.1
North and West	-1.2	-0.9	-0.1	-0.5	0	-

Source: Conway (1975) Table 7.

statistics showing the poorer demographic structure of the smaller holdings. Conway's survey data on household structure (Table 2.13) may be taken in conjunction with his findings on farm performance (Table 2.12) to confirm the point that farms which contribute little or nothing to agricultural growth are those with a depleted demographic composition. Conway estimated that such farms accounted for about one-third of the land of the State in 1972.

TABLE 2.13

Percentage of Full-Time Farms with Head of Household Over 50 Years and No Heirs Attached to Household

	<30 acs.	30-50 acs.	50-100 acs.	100+ acs.
East and Midlands	38	28	18	9
South	48	29	11	8
North and West	42	24	25	31

Source: (Conway, 1975, p. 21).

It seems reasonable to conclude, therefore, that there are two sectors in Irish farming, one expanding and prospering, the other stagnating or declining. There is little prospect under present conditions for efficient farming or output growth on many smaller farms. As for increasing average incomes per head on these farms by further reducing their labour force, Conway notes that smaller farms have already reduced their average labour complement below that seemingly required for intensive and productive farming. Consequently, labour reductions would not bring about an improvement unless farms were enlarged and the number of full-time farms reduced. But average farm size increases only very slowly,¹³ given our family farming system, our land-tenure and land mobility pattern, and the relatively limited opportunities outside agriculture. The mode of adjustment on the smaller farms is a downward spinning process of low resources, low inputs, low demands, low returns, and a work-force deteriorating beyond the point of achieving agricultural development or demographic renewal.

2.9 The Dissolution of the Western Small-Farm Economy

One other important dimension of these maladjustments and differentiation trends needs elaboration here. The small-farm problem and its related aspects are essentially a feature of the western counties. While the changing marital status of farmers were presented earlier as farm-size contrasts they are, more fundamentally, an expression of the evolution of regional differences between the western and eastern part of the country. Table A.12 shows the regional trends since 1926 in the proportion of male farmers who were over 45 years and single. This central point may be illustrated in Table 2.14.

Whereas there is, as of now, virtually no difference between the eastern and western counties in their percentages of older unmarried—and possibly heirless—farmers, there is a sharp difference in so far as the situation has remained relatively unchanged in the east for forty-five years, whereas a change of great magnitude has occurred in the west in the relatively recent past. So whatever implications the poorer demographic structures *per se* may have for regional variations in agricultural development at the present time, the recency of changes

¹³The available information refers to holdings which increased from 49.1 acres in 1961 to 51.2 acres in 1975. (Embleton 1977).

TABLE 2.14

Male Farmers, Aged 45 Years and Over and Unmarried

	%			Number		
	1926	1951	1971	1926	1951	1971
East	20	21	20	2483	2662	2199
South-East	17	20	20	2265	2389	2089
South-West	8	14	21	3608	5801	7402
North-West	9	16	24	4346	6783	7585

Source: Census of Population.

in the west probably add to these structural effects. In more advanced economies, past transformations in the agricultural sector were likely to be gradual modifications especially if regional industrial development accommodated the release of labour from farming. Eastern counties reflect this earlier and slower pattern. In the more peripheral western counties, however, the comparatively closed traditional farm economy survived for a longer time but, apparently, maintained with it, despite its subsistence nature, a more balanced and viable demographic structure. This is revealed in Table 2.15 which shows that even up to 1951 western counties had a smaller percentage of bachelor farmers, whether compared with the east on an age group or farm-size basis. Even within the west the farm size contrasts referred to earlier (Section 2.7.2) had not yet emerged to any substantial extent although deteriorating marital patterns were definitely under way.

The western small-farm economy maintained not only a viable demographic structure but a cohesive system of social and economic relationships (e.g. mutual aid arrangements in farming), and community structures all of which supported a certain volume of agricultural production.¹⁴ This was so even if income returns per head were low by

¹⁴In a shift and share analysis of county changes in arable crop acreage and grazing livestock numbers for 1954-73, Higgins (forthcoming 1978) shows that crop acreage in western counties declined more rapidly than in the rest of the State and the same counties had below average growth rate in livestock numbers.

TABLE 2.15

Percentages of Male Farmers Single

Acreage Group	East and South-East			South-West and North-West		
	1926	1951	1971	1926	1951	1971
Age Group 35-44 yrs.						
15	49	47	44	28	34	50
15-30	44	37	46	26	35	48
30-50	37	35	39	22	33	43
50-100	34	34	31	21	28	35
100+	33	25	22	23	28	31
Total	39	34	31	25	33	42
Age Group 45-64 yrs.						
<15	34	42	44	15	27	38
15-30	29	33	42	13	26	37
30-50	27	32	32	12	22	31
50-100	24	27	26	11	19	26
100+	22	20	20	13	18	22
Total	27	29	28	13	24	32

Source: Census of Population.

more global standards. The additional problems of agriculture in the western areas, therefore, derive from the relatively sudden and recent breaching of its comparative regional isolation. This has wrought a rapid dissolution of its subsistence agricultural economy and of its associated demographic and social organisational framework. While the change was apparent by 1951—with regional patterns converging but still favouring the west—the real momentum of the change is to be seen in the trends of the post war years (Table 2.14). This is reflected particularly in the increase of bachelorhood among western farmers in

all acreage groups by 1971. In fact, comparisons of all farmers in the age cohorts 35-44 and 45-64 for 1951-71 (See Table 2.15) show the western trends in percentages unmarried in complete contrast to those of the east. This, we suggest, is a belated impact of the pervasive transformations outlined earlier, sharply permeating through the western region in recent decades. The massive post-war rural migrations, the societal changes in technology and economic relationships, new consumption standards and aspirations for more universal life-styles and the ensuing decline in the local agricultural economy have left behind a population of older farmers in western counties in a much more socially disadvantaged situation than were their counterparts a generation ago.

2.10 Conclusion

This outcome cannot be part of an argument against change generally or against the modernisation of agriculture particularly. In relation to the theme of agricultural growth its purpose is to show that the problem is structural and outside that which can be remedied by individual farmer behaviour. Given the manner in which the pattern of agricultural development occurs, the benefits posited by conventional economic rationalisation theory do not occur smoothly. In the absence of a favourable climate of development outside agriculture, as in the greater part of Ireland, the desirable and expected results may not be obtained at all. Specifically, labour flows from farming do not result in an automatic and rational re-adjustment of land and remaining population. The socio-demographic framework underpinning land use and agriculture is disrupted severely but without any planning for new kinds of structures to take its place, e.g. group farming, or intensive advisory programmes to improve land mobility. In that event, the aggregate effect of modernisation trends on farming performance may even be negative in some respects as we have seen. One set of structural problems—congestion—is partially and selectively solved but in a manner which causes it to be replaced by another *i.e.* of demographic debilitation. Intensive dairying has been generally advocated as the salvation of the small-farm economy, but the contribution of milk production to output is declining on the smaller farms and increasing on the larger ones (Kearney 1977).

Declining marriage rates, discussed earlier in the context of increas-

ing social differentiation, are not merely a social problem. They are the outcome of gross economic trends and they have direct implications for future economic growth in agriculture. For example, in the western counties since 1926, the male agricultural labour force has been halved but the numbers of older unmarried farmers have doubled (Table A.12). This has one major and obvious result: the rapid withdrawal of land from the more productive agricultural usages. Nationally, about one-third of our agricultural land is now operated by terminal families. Because marriage rates in the under 45 year age groups are also declining, there seems little immediate prospect of change in the demographic correlates of declining productivity in many farming areas. Only a radical re-orientation in the current mix of policies can counter this trend.

The emphasis in this chapter has been on three central problems: demographic and community decline, increasing social inequities arising from the processes of changes, and the maladjustments arising in the transition to modern agriculture. We have paid special attention to the dualistic structure of agricultural growth because in trying to understand the reasons for this we come closer to the way in which the forces of change affect rural society.

Other problems will be examined later. But the issues raised here point up the need to consider economic modernisation as a complex transition, with several origins, direct and indirect consequences, costs and benefits. Even the factors involved may change their role in the model over time, the outcomes of one period becoming the causes of the next. From this standpoint, contemporary trends in declining rural communities, the contraction of segments of the farm economy, and the economic marginalisation and increasing dependency of large sections of the rural population should not be seen merely as the separate developments of an autonomous part of our society which has divorced itself from the mainstream of economic progress. We should not say simply that those failing to benefit from progress lack the necessary social-psychological attributes associated with such advancement. Both decline and expansion are interdependent products of the mainstream of change. This also suggests the need to distinguish between measures designed to mitigate immediate problems or symptoms and those policies required to correct or counter underlying causative forces.

CHAPTER THREE

AGRICULTURAL POLICY

3.1 Introduction

Growth in agricultural output is both desirable and possible. Increased agricultural production is essential to the improvement of levels of living on farms as well as to the maintenance of employment in agriculturally related industries. This is all the more necessary when market prospects are favourable and the import content of the agricultural commodities produced is low. While the relationship between a prosperous agriculture and the economic well-being of the rural economy generally may not be as close as formerly, the agricultural sector is still a major component in the economic structure of all regions in the State. Nationally, agriculture accounts for almost 40% of all exports and, directly or indirectly, for over 30% of the labour force.

3.2 EEC Policy

In the years prior to EEC entry support for agricultural development encompassed a wide variety of measures. While the general framework of this support has remained, it is now subject to the provisions of the EEC. Common Agricultural Policy (CAP). The CAP combines a policy of prices and markets, a policy of farm modernisation, and a farm structural policy. These are examined in subsequent sections but some remarks on the EEC policy framework are necessary.

The attention given to agriculture and its problems is one of the dominant features of the Rome Treaty. The CAP is modelled on the principles of economic rationalisation, the primary emphasis being on technical progress and production efficiency. Article 39 of the Treaty outlines the aims of the CAP:

1. The common agricultural policy shall have as its objectives:

- (a) to increase agricultural productivity by developing technical progress, by ensuring the rational development of agricultural production, especially labour;
- (b) to ensure thereby a fair standard of living for the agricultural population, particularly by the increasing of the individual earnings of persons engaged in agriculture;
- (c) to stabilise markets;
- (d) to guarantee regular supplies; and
- (e) to ensure reasonable prices in supplies to consumers.

In practice, the common policy has been devoted overwhelmingly to the organisation of agricultural markets as compared to the task of improving land structures. Indeed agricultural marketing has been a very large part of EEC activity due to the special difficulties of creating free trade in agriculture. Whereas free trade in industrial products could be achieved relatively easy—by the removal of tariffs, quotas and other restrictions—the attainment of free trade in agriculture had to overcome elaborate systems of support and protection by individual Member States. A complex and costly community system of product price supports and transitional arrangements has been devised for the integration of national agricultures into a unified market.

Very little was accomplished in relation to improving structures until the 1970s, when a set of special structural Directives was issued. Even yet structural policy remains a secondary consideration within the CAP. However, regional and social policies are of even less significance despite the recognition in the Treaty of the need to implement agricultural policy in consideration of regional and social conditions. The second part of Article 39 of the Treaty reads:

- 2. In working out the common agricultural policy and the special methods which it may involve, due account should be taken of:

- (a) the exceptional character of agricultural activities, arising from the social structure of agriculture, and from the structural and national disparities between the various agricultural regions;
- (b) the need to make the appropriate adjustments gradually; and
- (c) the fact that in Member States, agriculture constitutes a sector which is closely linked with the economy as a whole.

Nevertheless, despite these sentiments, policy objectives in agriculture seem to have been determined independently of regional development and social policies. Indeed the relatively underdeveloped state of regional and social policy in the EEC means that rural areas continue to bear the brunt of the major socio-economic transformations associated with a modernising agriculture without any significant compensatory policies.

This is an issue to which we shall return in Chapter 8.

3.3 Main Supportive Measures

Prior to EEC entry there was official concern about the pattern of State support to agriculture, particularly with those investment aids available at farm level in so far as they were allocated without reference, necessarily, to any farm production plan. By 1970 the Report of the Committee on the Review of State Expenditure in Relation to Agriculture had recommended that schemes for improving farming—and in which payments were made directly to the farmer—should be integrated in a comprehensive farm development plan. Such a philosophy was to be reflected in the EEC Farm Modernisation Scheme of the mid 1970s, though this latter policy involved the attainment of relatively high income targets for farmers to receive maximum aids.

Adapting the Review Committee's classification of categories of statutory support for agriculture,¹ we can describe policies and related aids as devoted to the following objectives:

¹The classification, as the Committee notes, is not a rigid one, neither are the headings, or items subsumed within them, mutually exclusive.

1. *Expansion of Production* (e.g. headage payments for livestock, elimination of diseases, the special Small Farm Incentive Bonus Scheme).

2. *Farm Improvement and Efficiency Aids* (e.g., drainage grants, grants for farm buildings, education and advisory services, credit facilities).

3. *Farm Income/Price Supports and Market Interventions* (e.g. subsidies reducing input costs, product subsidies, guaranteed prices, relief of rates).

4. *Structural and Related Policies* (e.g., land allocations, farmer retirement pensions).

The Review Committee dealt fully with the role of these aids prior to EEC membership; our comments here are therefore confined to those relevant to the present context. We have to try and assess this policy framework mainly in respect of its impact on stated objectives and of its other socio-economic implications.

3.4 Agricultural Production and Efficiency

The potential for agricultural expansion has been repeatedly identified in national economic programmes and other sources. At the time of EEC entry, the Government White Paper² predicted an increase of 33% in gross agricultural output between 1971 and 1978. Official Government projections in 1976 put the annual growth rate for 1977-80 at 6%. The most detailed study of the potential of Irish grassland, for example, estimated that with existing technology alone there was scope for doubling the 1970 national total of 5.4 million grazing livestock units (Lee and Diamond, 1972). A more recent study (Collins, Drennan and Flynn, 1977) concluded that beef farmers, using only the present acreage devoted to beef production, could double the current annual output of finished animals. Farm Management Surveys of An Foras Taluntais show considerable differences in farm incomes and efficiencies, even on similar soil types.

²The Accession of Ireland to the European Communities (1972).

On the face of it, there seems to be no inherent reason why the various measures in support of greater output and efficiency cannot be effective for this purpose. Headage grants may encourage more intensive production. They were strongly favoured by the Review Committee which went on to suggest that, where practicable, aid should be given in this form rather than in, say, price supports (see Review Committee's Report, p. 48). Such grants raise efficiency as well as output if paid against criteria of quality. Similarly, aid for eradication of disease, the improvement of land, the construction of buildings are all widely used as appropriate aids to agricultural development.

Coupled with these measures is the complex of services and facilities. Excluding those in co-operatives, 500 advisers are employed at field level, supported by specialists and research services. Facilities for agricultural education are also available. A State agency, the Agricultural Credit Corporation, provides a variety of loans to farmers. Loans by the ACC in 1976 amounted to £73 million to farmers and £12 million to agri-business. Banks, of course, also provide credit.

Yet despite this extensive framework of support the aggregate growth record in Irish agriculture had in the past often appeared disappointing.³ The Review Committee of 1970 drew attention to the relatively slow growth in the Gross Agricultural Product in the late 1960s by contrast with the rapid expansion in the industrial sector (though agricultural growth rates are not normally as high as those for industry). While recognising that much of the aid to agriculture was justified on social, rather than on purely economic grounds, the Committee noted (p. 34) that increases in the agricultural product were not showing returns commensurate with the amounts of aid provided and such growth was unevenly distributed over the country. More surprisingly to many observers, the advent of EEC membership has not resulted in farmers producing the volume of output that was expected of them at the point of entry to the Community. Instead of the 33% growth rate predicted for 1971-1978, the likely achievement is closer to 25% (Sheehy, 1977), growth rates being uneven over the past few years (Table A.13).

The underlying conditions affecting the rate of agricultural growth,

³Disappointing, that is to those who judge performance against the productive potential of Irish land, and ignore the structural factors which we describe in Sections 2.8 and 2.9. As we noted also the Irish rate compares favourably with that of most other countries.

however inadequate or otherwise this is considered to be, have already been outlined in the final part of Chapter Two. We attached primary importance to a pattern of dualistic growth relating this to the dissolution—without appropriate readjustments—of the demographic and social structure of the small-farm economy.

In this context of increasing agricultural output and efficiency, reference must be made to two pre-EEC schemes focused on the small farm situation (a) the Pilot Area Development Scheme, and (b) the Small Farm Incentive Bonus Scheme.

3.4.1 Pilot Area Schemes

The Pilot Area Schemes applied to a limited (i.e. the pilot) area in each of the western counties. Farmers were offered an intensive advisory programme including special investment grants for land and buildings improvement. Applicants for aid were required to prepare comprehensive farm plans. An evaluation of the scheme after six years showed that gross margins (gross output less the variable production costs) had increased on participating farms but the scheme's effectiveness was greater in the case of those farms who began the scheme at the higher gross margin levels (Scully, 1971). This study concluded that the majority of farmers in the pilot areas were non-viable and could not be helped to any worthwhile extent by any meaningful policy for agricultural development. We may associate this conclusion with the 1970 Review Committee's estimate that, nationally, about one-third of farms had a basic economic organisation which provided no more than part-time employment for the farm operator. These, however, could have a certain amount of good agricultural land.

3.4.2 Small Farm Scheme

The Small Farm Incentive Bonus Scheme was in operation from 1970 to 1974. It was open to all farmers of not more than 50 acres or £25 valuation, who were not already earning a gross margin of £1,000 per year but who were deemed capable of doing so within, at most, six years. Participants were also required to draw up development plans. The scheme was judged to be successful in showing that on certain categories of small farms increases in agricultural output were possible. However, the participation rates among the potential target population

were low, ranging from a high 48% in Mayo down to 6% in Kildare (Curry, 1975).

3.5 The EEC Farm Modernisation Scheme

The consequences of EEC entry was the implementation of a package of farm modernisation measures which discriminated against a certain proportion of those farmers who had hitherto shown a willingness and ability to maximise usage of existing resources⁴ (National Economic and Social Council, Report No. 19, p. 22). This is because the maximum levels of support (financial, access to land allocation, advisory services) are to go to those farmers who can, over a six year period, provide an income comparable to average non-agricultural earnings in the region. This is estimated at £2,320, for example, in the western counties for 1977. Such a target requirement presupposes a relatively high level of existing resources in land and capital. Consequently, it is not surprising that, nationally, only some 16% of the 67,000 farmers assessed to date qualify for the maximum aids. In Meath the proportion is 15% compared to 6% in Clare and 2% in Mayo. This maximum aid category are classified as *Development* farmers. A lesser scale of aid is granted to two other designated categories: the *Commercial* category, or those in which income per labour unit is already above that of the comparable income in vogue (4% of all those classified to date); and the *Other* category on which income per labour unit is not regarded as likely to reach the target level in the foreseeable future (80% of those classified).⁵ The total cost of the FMS in 1976 was £12.34 million over £1.0 million of which will be obtained from the EEC.

However, the shortcomings of this scheme have become increasingly obvious. It discriminates in favour of those who have land resources rather than managerial ability. Mediocre farm management on a large holding would provide the operator with the target income, while efficient management and good production on a smaller holding might not do so. As long as the scheme is not accompanied by an

⁴Those concerned may not subjectively perceive themselves to be disadvantaged but this does not invalidate the objective reality. In any case, a realisation of the reality by those affected would involve a certain time-lag.

⁵For "other" farmers, under 55 years, however, investment aids are nearly as good as for development farmers.

active policy to ensure greater land mobility (see Section 5.11) those hindered by poor land resources cannot get the full benefits from the scheme although they may be good farm managers. In this way the scheme accentuates the trend towards a dualistic farm economy. A large and, within itself, heterogeneous *Other* category runs the risk of becoming divorced from the maximum financial aids and accompanying services (e.g. advice on farm management planning). A case study report of the manner in which advisory services are constrained to serve a minority of high-achieving farmers was presented to the 1977 Conference of the Agricultural Science Association (Gallagher, 1977). The Modernisation Scheme originated in the expansive industrial economies of continental Europe in the late 1960s against an economic background of high labour demands in industry, on the one hand, and a pattern of mini-agricultural holdings on the other. In the different Irish climate of the 1970s, with high national unemployment and large tracts of low-production agricultural land, there is a clear case for giving the best aids to those small farmers who are committed to farming and who in fact may have better material prospects on the land than in seeking off-farm employment.

3.6 Income Supports and Market Intervention

Most of public expenditure on agriculture goes to support income. Price supports and market intervention policies are now mainly determined under EEC common agricultural policy. Since 1972, there have been substantial increases in the "products of agriculture" price index in every year except 1974 when a temporary crisis overtook the Irish cattle industry. The total percentage increase amounted to 115% between 1972 and 1976, while the comparable increases in the general wholesale and consumer prices indices were 98% and 86% respectively. Pricing and marketing policies operating under the CAP have been effective in keeping Irish aggregate farm incomes above what they would have been outside the Community though the growth in real terms has been uneven as Table 3.1 shows.

However, farmers generally have improved their relative income position in the Irish economy, the ratio of farming to industrial *per capita* incomes (net of tax) having increased by 27% between 1970-71 and 1976 (Sheehy, 1977).

TABLE 3.1

Income from self-employment in farming

Year	Current Values £ million	Constant Consumer Purchasing Power ¹
1970	181	158
1971	203	161
1972	276	204
1973	364	241
1974	317	181
1975	472	221
1976	533	212

¹Obtained by deflating current values for each year by the consumer price index (base of mid-November 1968).

Source: Irish Statistical Bulletin; Personal communication from CSO.

3.6.1 Distributive effect of Price Supports

The actual distribution of income gains between farms of different sizes and systems is another matter. Whether an income gap exists between average farm and non-farm incomes is less important than the differentials existing between larger farmers and more highly paid non-farmers on the one hand, and smaller farmers and wage-earners on the other hand. Price supports are not the sole determinant of the level and allocation of income between different categories of producer but they undoubtedly influence the situation. As the Review Committee noted (p. 51), where the gross income of the producer includes a substantial contribution from the exchequer, the resultant impact on income differentials is of serious consequence. The price structure of 1970, according to the Committee, conferred particular benefit on milk producers—the larger their scale of business the greater their advantage especially if costs per unit of output tend to be lower than for smaller producers. In fact the Report of the Two-Tier Milk Price Study Group of 1967 showed that large producers earned a higher net income from each gallon due to lower production costs per gallon.

In 1970, when milk prices were adjusted to ensure a more equitable distribution of exchequer support between milk producers in different production "tiers", there was a wide variation in the average amounts received by suppliers (Table 3.2). This ranged from £200-£400 on the typical smaller farms (5-10 cows) to £1,600 per supplier on large farms (60-80 cows).

Up to date statistics on the distribution of price supports through the EEC FEOGA aid system are not readily available. However, based on 1976 levels of milk supply an estimate of the support received by smaller farmers (6-12 cows) would be £180-£360 compared to over £3,360 for bigger farms (over 70 cows).

TABLE 3.2

Level of Price Supports to Milk Suppliers, by Production Tier 1970

Tier (gals)	Estimated Number of Suppliers	Average Support Per Supplier (£)	
		Old Rate	New Rate
Under 3,000	58,550	80	90
3,000- 5,000	19,110	220	240
5,000- 7,000	11,170	340	370
7,000-10,000	9,830	480	500
10,000-14,000	6,150	690	690
14,000-20,000	4,740	850	850
20,000-30,000 (est.)	1,840	1,340	1,280
30,000-40,000 (est.)	470	1,810	1,620

Source: Derived from Table II, Attwood (1970).

There is, nevertheless, a dilemma with regard to price subsidisation. Differential systems of payments are difficult to administer; and while subsidies go to the large scale, high income farmers, a re-direction of funds to marginal producers may perpetuate the uneconomic and inefficient. Price subsidies given in respect of commodities difficult to dispose of in markets, add to the problem of surpluses as well as being inadequate as a solution to the problems of smaller farmers already working their holdings to the economic limit.

3.6.2 De-Rating of Agricultural Holdings

Small farmers, however, do obtain concessions through the remission of rates on agricultural holdings. Holdings below £20 rateable valuation are exempt from rates and scaled reliefs are available for holdings above this RV level.* Of a total national rates bill land of £62 million (1977 figures) £41 million or 66% was paid out of central funds through the agricultural grant. The following tabulation (1975 figures) sums up the picture in showing the contrast between the counties of highest and lowest gains from this concession.

	Gross Rates on Land (£.m.)	Agric. Grant (£.m.)	% Rates in Grant	Percent Holdings		
				Below £20 RV.	£20-£33 Rv.	Over £33 Rv.
Mayo	2.506	2.3	92	94	4	2
Meath	2.046	1.1	52	69	11	20
State	44.253	30.1	68	78	10	12

Recent (1978) changes withdrawing the relief given to larger holdings mean that landholders will pay an estimated extra £7 million in rates in 1978. Land valuations up to £20 will continue to be derated.

While rates reliefs helps to modify the income disparities within farming, this concession may have negative consequences for agricultural development. A large pool of land (even allowing for the poor quality of smaller holdings) can be retained by people without any obligation on their part to provide a minimum financial return.

3.7 The EEC Disadvantaged Areas Scheme

This scheme is primarily area-focused, being concerned with population maintenance in certain kinds of agricultural regions. However, it is more convenient to discuss its merits in the context of agricultural policy.

The Disadvantaged Areas (Council Directive 75/268/EEC) seeks to raise farm incomes in certain "less-favoured" areas, where there is a danger of depopulation reaching a scale that would jeopardise the viability, continued habitation and conservation of the countryside.

*In 1978 no rates relief will be available for holdings with a rateable valuation of £75 or over

Farm incomes in the designated areas are supplemented by livestock headage payments. Ireland recovers 35% of the cost from EEC funds.

The applicability of this scheme to Irish conditions has been analysed by Cox (1977) and its relevance questioned under a number of headings. In regard to conservation, this concept as generally understood in Ireland has little relationship to the preservation of existing patterns of farming. The concept as used in the Directive is mainly related to Alpine or other high mountain areas, where farmers are compensated by direct payments for their services to society as "landscape managers". There is little evidence of the outright abandonment of farming in the areas designated in Ireland. In fact the number of grazing livestock has been increasing in most of the Rural Districts. These increases, however, have been at a lower rate than in the rest of the country (Higgins, 1978, forthcoming). Levels of stocking are still considerably low and much land remains under-utilised. Cattle headage payments payable under the scheme in Ireland seem unlikely to cause significant increases in cattle output, because (a) in the "severely handicapped areas" payments are not confined to breeding cows; and (b) the level of grants per livestock unit is lower in real terms than in previous schemes. The Directive itself does not put any special emphasis on increased farm output. Even more remarkable, the Directive is to some extent at cross-purposes with the EEC Farm Retirement Scheme. As for depopulation, "less-favoured" counties had for the most part only marginally greater than average declines in the numbers engaged in farming, while the counties least successful in regard to the creation of jobs outside farming do not correspond very accurately with the "less-favoured" counties. It is also difficult to believe that an extra £160-£300 on the average farm income in those areas would be the determining factor in many decisions to leave or to stay. Even with this payment farm incomes would lag well behind non-farming earnings. While the scheme does not directly serve a policy of increased farm output or better farm planning and management neither does it provide for a better distribution of public aid. It is available to persons with adequate sources of income already—perhaps outside farming—as well as to poorer landholders. A better-off farmer or landholder with 30 or more livestock units would have qualified in 1976 for the maximum payments of £348. On the other hand, a much poorer farmer with five livestock units would only receive £80. The

scheme cost £13.5 million in 1976, or £8.8 million after allowance for the EEC contribution. On the other hand, the Farm Modernisation Scheme (See Section 3.5), the main mechanism—apart from price supports—for encouraging agricultural growth at farm level cost £12.34 million or £11.3 million after estimated EEC subventions.⁷

This raises the question of the wisdom of expending £8.8 million of national money just because £4.7 million is available from EEC. The scheme reflects a central issue in EEC policy-making, namely, the transferability of common schemes to national circumstances. It would be more appropriate in the Irish situation to devote such expenditure to improvement of farm structure, incentive schemes for good farm management, or even the promotion of non-farm employment. A "Disadvantaged Areas" policy in the true sense would aim to generate the level of economic activity in a number of sectors.

3.8 Conclusion

We may now relate these observations on agricultural policy to our earlier description (Section 2.8) of the process of adjustment in the agricultural economy. The major thrust of policy is not coping with the central problems. Although low agricultural growth rates of the 1960s have been followed by better rates for the 1970s there is a large stagnant or declining sector concealed by this general improvement. Considerable advances in technology, greater dissemination of technical and scientific information and the improved farm prices available from EEC membership have not solved some basic problems in Irish agriculture.

It is obvious that there are fundamental obstacles. These, we maintain, are structural. That is to say, the main barriers to agricultural development are to be found not so much in the attitudes and behaviour of individual farmers as in the characteristics of the agricultural modernisation process itself, including many of the conventional farm development policies. Population decline results in land being withdrawn from the progressive sector of farming. Commercial farm policies, favouring those with most productive resources, set this category on a path of accumulating advantage in

⁷Expenditure under the FMS is likely to accelerate in coming years. Gross expenditure under the Farm Modernisation Scheme was £24.5 million in 1977. The corresponding expenditure on the Disadvantaged Areas Scheme was £19.2 million.

price supports and greater access to supportive services such as farm advice. Their capacity for responding to commercial policies consolidates their initial economic advantage. Thus while pricing and market incentive policies are necessary, they have little impact on the stagnating sector where demographic and land structural conditions inhibit agricultural growth.

The traditional tendency of betting on the strong—concentrating effort on the larger though usually better farmers—is even more accentuated in the EEC Directives. The Directives have also shifted the conventional advisory role more towards an administrative function—completing procedures necessary for the execution and administration of the Directives. Directive 159 is highly selective in favour of the top 20% of farmers,⁸ not so much in terms of incentives and aids but in the resultant concentration of advisory services and other supports (credit, etc.) on this category.⁹ The Directive on Disadvantaged Areas is not really appropriate to the main Irish problems.

In the stagnant sector, there is a proportion of farmers who have the demographic and personal characteristics necessary for continuing viability but they are constrained by structural factors. They lack basic resources, especially land. As we shall show later (Chapter Five), land policies are not responding to their needs. Yet a considerable amount of land is poorly utilised. Our land-tenure patterns do not make for land mobility to the most enterprising users; some public policies are even at variance with the objective of land mobility. As for the land market, the escalation of prices is increasingly putting the smaller potentially viable farmer at a disadvantage compared to larger farmers or non-farming purchasers.

Consequently, only a comprehensive policy of agricultural development and land structural reform can solve the problems of poor performance in agricultural production and land use. This will have to be integrated closely with other public policies, especially those of income maintenance and social welfare.

We consider the options for such a policy in the next two chapters.

⁸Strictly speaking the top 20% includes the "commercial" category which receives less favourable treatment than the development category. However, only about 4% of farmers so far classified for aid under Directive 159 have been deemed to be "commercial".

CHAPTER FOUR

FARM DEVELOPMENT PROGRAMMES

4.1 Introduction

Agricultural development can be influenced by various support measures but the immediate effects of these at farm level are determined by the particular mix of household structure, resources and entrepreneurial ability on the farm. As we have attempted to explain, these factors themselves are the outcome of an underlying pattern of agricultural adjustment that has been taking place over a number of decades. While the modification of the basic structural barriers to agricultural development must, in consequence, be the longer term objective of policy those concerned with development at farm level must cope with the immediate realities as they find them. Although we have characterised the farm economy broadly in terms of two main sectors—one an expansionary commercial and the other a stagnating or declining sector—there is considerable diversity in the way farms are combined with household types. Development programmes have to be flexible enough to take this variation into account.

We try to illustrate this point in the present chapter

4.2 Identifying the Prospects

At the lowest end of the spectrum of farm types are those farmers clearly beyond the reach of any programme for increasing output even with intensive support. Upwards from this are the various combinations of strength and weakness. Judged by the success of the Small Farm Scheme (Section 3.4.2) there is clearly a vulnerable group of farmers which, nevertheless, can be helped to use their resources to better economic effect. They are evidently willing to do so and thereby provide their households with an improved and adequate income. Given the long-term adjustment process as we have described it, the

question is whether policies can be put into operation to prevent such a group from receding into the lower ends of the contracting sector and taking their land out of high intensive agricultural production. Policies related to a high cost, high-income agriculture may in fact do the opposite—hasten the displacement and dissolution of whatever farming enterprise exists on these vulnerable holdings.

4.3 Amendment of the EEC Farm Modernisation Scheme

Studies of farm management returns for 1972–74 (Johnson and Conway, 1976) show that growth generally took place on farms with good household structure, at least one labour unit working on the farm and earning at least £2,000 per labour unit. National samples, however, would tend to reflect a set of forces which typically favour the larger units. Larger farms have better household structure and contribute more to growth not alone because they are large but because size is also associated with greater use of various institutional supports such as credit and the advisory service. Many low-income farmers of the kind that successfully completed the Small Farm Incentive Bonus Scheme have the capacity for expanding their farm incomes and output. A minority of the target population for this scheme actually participated but they would seem to be the minority worth supporting. *Consequently, we suggest that the Farm Modernisation Directive be amended to allow full developmental aid through incentive bonus payments to those farmers who could provide an adequate livelihood for themselves and their families. These should be applied even to farms unlikely to meet the comparable income levels specified^a in the time-span required by the present Directive.* This would ensure a greater density of "development category" farmers in areas of potential retirees under Directive 160. It would also moderate the labour flow from agriculture in face of the difficulty of building up employment levels in rural regions. As suggested already (Section 3.7) one way in which the enlargement of the development category of farmers could be supported is by the re-direction of the expenditures presently going to the Disadvantaged Areas Scheme. As was shown, the present scheme, which provides payments for livestock held, allocates benefits too profusely rather than concentrating on the more viable farms; it

^aFor 1977, required income per labour unit, after deduction of certain allowances for capital employed, was £2,700 in eastern counties and £2,320 in western counties.

does not re-distribute funds in the most appropriate way to relieve farm poverty and of itself, is unlikely to influence the rate of movement out of farming. In fact it reflects much of the current confusion in policy measures between developmental and welfare aid. *Rather than trying to maintain a farming population for the conservation of the countryside in special areas it would seem more essential to ensure that small efficient farmers in any part of the country are given the necessary support and incentive to maintain productivity.* If population maintenance is to be the criterion then in the Irish situation the provision of employment should take preference over indiscriminate payments based on the number of livestock held.

4.4 Farm Advisory and Educational Services

A re-direction of expenditures to a wider band of development category farmers would be unlikely to prove successful without an accompanying re-orientation of agricultural advisory work. This means a change both in the functions of the adviser and in staff structures.

4.4.1 Advisory Role

From studies to date (e.g., McCanna 1976) it is clear that an intensive and sustained advisory approach is needed for farm development. This involves the farm adviser in close contact with the farmer and spouse (or family) over the phases of a development plan drawn up to suit individual circumstances. Planning, financial and credit management, husbandry skills and family needs, and ultimate transfer of management or ownership are all appropriate matters of discussion in the development programme. It is difficult to see how this advisory approach can be adopted given the high rate of staff turnover in some counties² and the amount of time which advisers must now devote to the determination of eligibility and other tasks associated with the classification of farmers under the Farm Modernisation Scheme. So far as we are aware there is no recent independent analysis of advisory tasks. However, the professional association of agricultural advisers has been concerned that, despite the additional work imposed by the Farm Modernisation Scheme since 1974, the number of instructors in Agriculture increased by only 4 per cent

²See Scully (1970). This may be diminished in the proposed new National Agricultural Authority.

(Proceedings, Irish Agricultural Advisers' Organisation Congress, 1977). Advisers cannot find time to give sustained follow-up advice even to those classified under the Farm Modernisation Scheme let alone undertake the difficult and slow task of encouraging those not hitherto linked to the service to undertake farm improvement programme.³ *The gains accruing to agriculture under E.E.C. should be called on (through taxation) to support extra staffing in the advisory service either through recruitment of more advisers or through the employment of technicians to provide a support service in routine tasks, including farm accounting, checking and analysis.*

This would be all the more important if the advisory service were to become involved in new ventures such as group farming. In many small farm areas the traditional mutual-aid systems of a subsistence economy have broken down. Yet many small one-man farms could still survive if merged in such a way as to obtain the benefits of expanded acreage and increased labour supplies. Advisory staff need time to explore possibilities such as these.

Changes in staffing would also be required if an expanded advisory service were to see its clientele as all those who have usable land resources rather than simply those who are the more willing to adopt new technology or practices, or those who have a problem in farm planning or husbandry. This approach would involve advisers in close working co-operation with Land Commission staff and social welfare staff, with a view to adapting development and welfare measures to the needs and aspirations of individual farm families.

4.4.2 Socio-Economic Guidance and Education

The problems of agricultural development exist at a number of levels, principally technical, structural and cultural.⁴ Technical knowledge is well advanced compared to its rate of application by potential users. There are solutions available for the main recurrent technical difficulties. The more fundamental problems, as we have stressed in this report, are structural. That is, there is undoubted potential in the resources available, sufficient persons exist to utilise

³A survey by Higgins (1977) among 400 farmers over 15 acres in East Galway showed that in 1974, 69% of farms had no visit from an agricultural adviser in that year.

⁴Cultural and structural barriers are described by Kelleher and O'Hara (1976).

these but they cannot do so because of, say, the system of land-tenure and mobility, the unsuitability of present policies, or the absence of facilities such as contractor services. Cultural barriers are also significant but less amenable to change in the short-term. They include traditional attitudes, fatalistic outlook, ingrained and inflexible patterns of behaviour.

The major structural problem is the matching of productive land and human resources, and the prevention of the processes of change which cause a mismatch of these factors. Structural problems often receive scant attention from advisory services, research, or farm organisations. Whereas strong interest-groups are centred around commodities or enterprises (such as dairying) nothing like the same emphasis is given to structural issues.

A general change of focus is thus called for, especially in regard to land structure and related problems of inheritance and land mobility—topics to be discussed more fully in Chapter 5. *A first essential is the establishment of a fully operational and professional socio-economic guidance service within the agricultural advisory system.* This is a requirement under EEC Directive 161⁵ but its implementation so far has been largely confined to formal education courses for young farmers, and short orientation courses for existing advisory personnel. It is understood that the extension of the scheme to provide a professional training for a corps of advisers is temporarily held up by a difference of attitude between the agricultural advisers' professional organisation and the Department of Agriculture about the future organisation of the service. This is to be regretted.

Over the longer-term, training for a professional role in the area might begin at university level. A specialisation already exists in agricultural economics at this level, even though no clearly defined role exists for it in the farm advisory service. A new specialisation orientated towards socio-economic factors would provide personnel competent to give socio-economic guidance as envisaged—and necessary in the advisory service. Such persons might then enter the service on equal terms with technical advisers although they performed different tasks. Disputes about status and ranking of socio-economic advice within the service could then be avoided.

⁵See NESC Report No. 19, Section 3.1.4 for a brief description of this scheme.

In regard to agricultural education, there is considerable fragmentation of effort between advisory services, agricultural colleges, the farm apprenticeship scheme, and the activities of independent organisations such as the co-operatives or voluntary organisations like Macra na Feirme. There is probably also duplication of effort in preparing costly educational aids while other areas, such as co-operative education, are very neglected. A special educational development and service unit within the framework of the proposed agricultural advisory authority could co-ordinate existing work. More importantly, it should be responsible for giving new impetus to this area by developing new methods, educational materials, mobile and supportive services for the existing agencies. The I.A.O.S., for example, and the larger co-operatives could enlist the services of such a unit for special courses of relevance to co-operative business and organisation. These could be given to various groups, e.g., boards of management in co-operatives, or students at agricultural colleges.

4.5 Pricing and Markets

The present system of price supports is very advantageous for Irish producers of beef and dairy products. Support for dairy products, especially, enables dairy farmers with relatively small acreages to make a reasonable living. One major gap exists, i.e., the absence of a common policy for sheepmeat. Such a policy would be beneficial to mountain and hill areas in Ireland. However, the recent agreements facilitating Irish lamb exports to France should partly compensate for the absence of a common policy.

Caution would seem appropriate in pressing for price increases in conditions of substantial surplus. Prices of certain commodities are above equilibrium level resulting in surpluses which are expensive to store. Further increases in such support expenditures might jeopardise the continuation of the present system and provoke a return to national price supports, which would be detrimental to Irish economic interests.

The benefits of price support measures go mostly to the better-off farmers. A better balance in the distribution of benefits could be achieved by providing income supplements to smaller farmers pursuing development plans, or on the provision of regional aid to finance non-farm development in low income regions. Indeed in the longer term, national interests might be better served if Ireland was prepared to

forego subventions to agriculture in exchange for much greater support for regional and non-agricultural development.

These arguments would have more force in a fully integrated community. Ireland would expect to receive more community aid to improve its social or regional policy. On the other hand, prices for agricultural products might not be as high but they would be sufficient to achieve equilibrium between supply and demand. However, such integration seems remote at present.

4.6 Agricultural Development and Related Policies

The Agricultural population in the broadest sense represents a wide spectrum—from households with low incomes, poor land and poor demographic structure to large, high-income, two-labour-unit farms. This population is the subject of land policies, farm development programmes, taxation policy and social welfare provision. It is also affected by other rural development programmes such as industrialisation. There has been little evaluation of how this complex of public policy actually operates at the point of delivery, and how adequately it responds to problems of agricultural adjustment. In Chapter Eleven we try to illustrate hypothetically the negative aspects of these different measures considered in combination. This is an issue which requires more detailed study in chosen rural areas.

4.7 Taxation

Taxation systems including income tax, wealth tax or land taxes, can be used to encourage land-use and farm development.

4.7.1 Income Tax

At present farmers above £60 R.V. are liable to income tax. They have the choice of being assessed either on a notional income or on their actual income based on accounts. The methods of assessment and the various arguments related to them have already been examined by NESC (Report No. 15). While the consultants were not unsympathetic to an assessment made solely on a notional basis, they recommended levying the tax on actual incomes. Notional assessments give an advantage to the efficient farmer,^a though they would be

^aThey may also favour one social class, those who have inherited well developed farms and are thus inequitable to this extent.

burdensome to those in ill-health or to those who are building up a large but run-down property.

We would agree with the argument that the fairest way to treat farmers is to impose tax on actual incomes—as in the case of other taxpayers. Account-keeping is an essential part of good farm management and farmers have now ample opportunity (including grants) to provide themselves with accounts. Good investment allowances should then be granted so that taxation does not impede development.

4.7.2 Land Tax

Even with good investment allowances, there remains the likelihood that some farmers will not bother to take on a development plan. They may continue to neglect their land, earning a low income and paying little or nothing in taxation. *We would recommend that neglect and under-utilisation of land can be best dealt with through imposition of a general tax based on rateable valuation of agricultural land (i.e. a flat rate per £1 R.V.).*

Such a land tax would not be a fundamental innovation in the Irish taxation system since there are already taxes in Ireland on assets or wealth. In principle all landholders should be liable for this as a minimum, but amounts paid could be used to off-set equivalent liabilities for income tax. This tax could be levied net of rates on agricultural assets, or these rates in their present form could be abolished altogether.

To minimise the possibilities of penalising sections of the farming community—who are already disadvantaged—the tax need not be collected from those landholders whose *total* incomes would not make them liable for income tax and whose holdings were below a certain valuation, e.g., £10 R.V. Since the low valuations, small farms, poor soils and poor household structure are, to a large degree, found together this would also reduce the likelihood of landholders being given smallholders' assistance while they pay land taxation.

We feel that the public interest demands that some levy be imposed on those who occupy such a rapidly appreciating asset as land. Usage and ownership rights to land are readily transferable while productive land use is of central importance to the Irish economy. Furthermore,

the present serious unemployment situation demands a policy ensuring that land will provide a livelihood for as many as possible.

4.8 Farm Development, Land Policy and Social Welfare

The manner in which policy agencies emerge, outlined in Section 1.5, may be recalled here. Modern systems of public administration tend to be focused on specialised problems and to function self-containedly within the limits of their own responsibilities. Agricultural development becomes divorced from rural development generally and agricultural institutions become less capable of meeting the requirements of public policy in rural (as distinct from agricultural) affairs. Specifically, different agencies may be concerned with particular and separate aspects of a family-farming situation, e.g., encouraging land mobility, farm development or income maintenance or social welfare entitlements. Farm families may be broadly classified in practice into a welfare or development category, with agricultural agencies concentrating attention on the more commercially oriented farms.

4.8.1 Inter-Agency Co-operation

A different relationship between public agencies would exist if the general problem were not seen in such a compartmentalised way but as one of managing the process of agricultural adjustment and change in rural areas. A single agricultural development agency might then include not just staff such as those now concerned with land structure, agricultural advice, or farm home management but also those specialising in social problems (retirement, housing, welfare rights etc.) or youth programmes. Such an agency, of course would, have to be decentralised to regional or even county level to allow the "advisory team" approach to work effectively. *At the very minimum we recommend that (i) a more fully developed, multi-disciplinary socio-economic guidance service should be included in the proposed agricultural advisory authority; and that (ii) greater co-operation should exist between agricultural and other rural services.* We return to this topic in Chapter Eleven.

4.8.2 Flexibility in Catering to Welfare or Developmental Needs

In this respect we would suggest, as a general principle, that any

household in which there is land still capable of being brought into full agricultural use should be numbered among the clientele of the agricultural development agencies—even if the human resources in the household are no longer actively engaged in agricultural work.

In the very poor soil areas, the payment of smallholders' assistance and the provision of off-farm employment are the major requirements. Families may have other welfare needs such as home help or housing. Agricultural development in these circumstances can have little meaning.

On farms of good land occupied by older, incapacitated or otherwise inactive persons the problem is different. The aim of public policy should be to help the occupier come to a timely decision about retirement and the transfer of the holding. Agricultural staff and pension officers (or socio-economic advisers conversant with retirement possibilities) should work in close co-operation to draw up the various options open to occupiers and their dependants.

At the lowest valuation levels smallholders' assistance should be granted on the methods proposed in Chapter Six (Section 2). Land resources are likely to be poor in such cases and even if the occupier is young and active there is little scope for agricultural development. However, there is another category of low-income farmers who have a certain amount of potentially productive land and who are not incapacitated by old age or ill-health. Nevertheless, their incomes are inadequate to provide an acceptable level of living by contemporary standards. More than likely they are not farming to a standard sufficient to allow their inclusion in the category having priority entitlement to extra land (See Chapter Five) or even in the expanded development category under a revised farm modernisation scheme. *Rather than distributing smallholders' assistance unconditionally to such a group, these could be given some income support or have their land tax liabilities waived provided that they commit themselves to a programme of farm improvement (as distinct from the more rigorous farm modernisation) scheme.* This might even be little more than a programme to improve livestock husbandry and output and conserve soil fertility. Such a concept of "conservation" seems more meaningful in the Irish context than the notions of "conserving the countryside" or of preventing the "abandonment of land" embodied in the Directive 75/268/EEC.

4.9 Conclusion

The main point of these remarks is to suggest a refinement on the present gross categorisation now being used in farm development policy. What is required is flexibility in adapting policy measures in a framework of clear policy objectives. The only clear-cut group outside the ambit of farm development and land policy are those landholders with such poor land and household structure that they are patently within the scope of welfare policies. Others should all be seen as relevant to a policy of *agricultural adjustment* within which there are various measures that can be manipulated to suit individual circumstances in optimising family welfare, land use and farm development. This would overcome the present confusion between economic and social welfare policies in which neither is an adequate response to the possibilities and needs (Kelleher and O'Hara 1976). What we are suggesting is a comprehensive *agricultural adjustment* policy as distinct from the more narrowly conceived *agricultural development* policy. The implications of this are greater complementarity between land policy, farm policy and social welfare policy, and a teamwork approach to individual farming families by various public service officials or specialists at local level.

CHAPTER FIVE

LAND POLICY

5.1 Introduction

There can be little argument with the desirability of making maximum use of the country's main natural resource; its agricultural land. As will be clear by now, there are major problems in achieving this objective. We have discussed (Section 2.8) the way in which the longer-term socio-economic and demographic changes militate against more intensive land use. In addition, there are the peculiarities of the Irish land-tenure system to be taken into account. The near universality of owner occupancy, in contrast to the tenancy systems common in European countries, make for a slow rate of movement in land from one set of users to another. Despite the decline in farm labour, increases in average holding size have been limited—from 49 acres to 51 acres between 1960 and 1975 (Embleton, 1977). Traditionally strong ties between family and land have in the past restricted the size of the market in land. Now these factors are reinforced by the rising asset value of land in a time of inflation; inheritors unlikely to enter farming are nevertheless unwilling to part with the ownership of acquired holdings. Thus, the already limited land market is even declining in importance as a means of entering farming (NESC Report No. 27).

In the absence of long-term leasing systems competition is high in whatever restricted market exists. This is accentuated when non-farming purchasers also compete for land on offer. Rising land prices in turn make it difficult for the smaller but efficient farmer to acquire extra land.

The age of inheritors at the time of farm succession also tends to be high.

Studies of land potential emphasise its inherent productive capacity but tend to ignore these various structural problems. Unless these are

solved—and they are not getting the same research attention as technical factors—then projections of output based simply on potential are meaningless.

5 A Current Policy

5.2 General Policy

Land policy is centred on the activities of the Land Commission. Over the last century the functions of the Commission have evolved from rent-fixing, the vesting of ownership in tenants and the relief of congestion in small farming areas, to the purchase and re-distribution of land and the creation of viable holdings. More recently it has also been concerned with implementing an EEC Directive on Farmer Retirement.

Land policies are currently being investigated by a special Interdepartmental Committee.¹ Its Interim Report (1977), while recognising the great contribution of the Land Commission in achieving land reform in the past without serious agrarian disturbance, recommends that State policy be substantially altered. A number of factors, some of them inherited from the policy practices of the past, were diminishing the Commission's role to one having only marginal impact on land structural problems.

Acquisitions of land by the Land Commission were necessarily becoming concentrated in western areas, yielding only holdings of small size and limited quality. While the structural policy in the past, at least in its declaration, was strongly based on the creation of viable units, only about one-third of the Commission's enlargements actually reached the standards set up. Wide and unselective distribution of marginal acreages tends to delay the development of better farm structure, though it may have contained local conflict in the past. Lands are often acquired as a response to a variety of local pressures rather than as part of a pre-arranged plan for their disposal. As a result of this and also because of the genuine difficulty of making immediate reallocations, the Commission has a relatively large land pool in its possession at any time (currently about 97,000 acres). While this may be let on the prevailing (short term) 11-month or conacre system, it does not always realise the revenue that may be expected. Local

¹The Interdepartmental Committee on Land Structure Reform, established by the Taoiseach in July 1976.

practices and incidental events may eliminate any possibility of an open market in these lettings or may cause wide variation in rental values from year to year (see Curry, 1975, page 46).

5.3 Farmer Retirement Scheme

The present scheme (described in NESC Report No. 19, pp. 23–27), drafted in accordance with an EEC Directive and initiated in 1974, replaces an earlier national scheme. Farmers may sell or lease (minimum lease period of 12 years) their lands either to a *Development* category farmer (under the Farm Modernisation Scheme) or to the Land Commission. A premium of 10% of the sale price up to a maximum of £1,500 is payable to the seller. If the land is leased the lessor gets a premium of twice the annual lease rent up to a maximum of £3,000. In addition, those over 55 years receive a lifetime annuity of £918 for a married person and £606 for a single person—these amounts to be increased periodically in accordance with the Consumer Price Index.

The evidence to date indicates that the scheme is not successful in its objectives. Monthly applications have fallen off from close on 200 in late 1974 to below 20 currently (late 1977). It is not possible to be precise about the reasons for the low take-up level (less than 300 cases) of the scheme though the following suggest themselves as being of relevance: the escalating price of land; the practice of elderly farmers in finding a successor within their kinship circle if they themselves have no direct heirs; and the loss of certain social welfare benefits accompanying the Old Age Pension, which is, of course, not payable in full or perhaps at all to annuity recipients; the availability of the Smallholders' Assistance (farmers' dole); the Disadvantaged Area Scheme which supports the retention of people on small holdings; and the fact that incentives available are conditional on the land being made available to a "development category" farmer in the EEC Farm Modernisation Scheme or the Land Commission.

5.4 The Land Market

A feature of the land market in recent years is the rapid inflation of land prices. These are influenced by a combination of factors. In the long term the most important factor determining land prices must be the anticipated future flow of income from land. As agricultural

incomes rise it is to be expected that this will be reflected in land values.

Although farm incomes are rising generally this does not mean that ability to purchase remains unchanged among different categories of farmers. Account must be taken of the "cumulative advantage/disadvantage process" that we have been using to characterise agricultural adjustment. That is, farmers with initial advantages in farm size, can produce more and do so more efficiently; they benefit more from high produce prices and public subsidies, thus generating sufficient income to strengthen their borrowing potential and ultimately to get into a commanding competitive position in the land market. To this must be added the effect created by non-farmer purchases² and the effects of purely speculative purchases in the face of inflation. Under-scoring these and possibly other factors is the small scale of the open market itself as a channel of land transfer—about 24% of total exchanges.² For those without direct successors, their land is channelled into the wider kin group as frequently as to the market.

Such a market situation increasingly militates against the smaller but efficient farmers though these may, with exceptional commitment to work and saving, manage to acquire additional land. Their chances of full public support are lessened by the rigour of the classification criteria for *Development* category status. Indeed, even inclusion in this category carries little prospect of extra land given the lack of success of the Farm Retirement Scheme. Their prospects of acquiring land in the open market are declining. Yet the Land Commission has no direct function in the land market, other than controlling sales to non-nationals. It may, and does, exert control only indirectly and this by acquiring a property compulsorily. But as we have just seen, acquisitions are no longer contributing much to the emergence of an improved land structure.

5.5 Non-Agricultural Land Use: Forestry

In many rural areas of limited potential for agricultural production, afforestation offers prospects of an alternative and economically competitive land use. In County Leitrim, for example, less than 10% of

²A previous NESC study (Report No. 27) estimated that about half of the agricultural land transactions in the market are purchases by persons not farming full-time. Moreover intra family transfers or arrangements made between relatives are by far the predominant mechanisms of land mobility.

the soils are of good grazing value while approximately one-half are classified as poor or very poor for grassland. By contrast some 42% of the county is capable of producing forests of the highest yielding category (An Foras Talúntais, Leitrim Resource Survey, Part I). Besides its land use advantages, forestry offers a diversification of rural employment and some recreational value. Added to these considerations is the fact that only 4% of the national land area is in forestry compared to about 20% in the EEC. Nevertheless, the Community depends on imports for more than half of its wood requirements.

Afforestation policy has traditionally been relegated to a very secondary place in land use. Forestry was regarded as a "last-resort" usage, the price paid for land acquired being subject to a relatively low ceiling so as to limit the amount of agricultural land likely to be sold for afforestation. This maximum price policy no longer exists. However, local attitudes opposed to the State acquisition of land for afforestation are common in areas of marginal land (Curry, 1975). Afforestation policy is also hampered by other public policies which make it financially advantageous, or at least not burdensome, for landholders to retain their land. Farmers with holdings of low valuation can obtain Smallholders' Assistance (See Chapter Six). The granting of remissions on rates on agricultural holdings below £20 RV (See Section 3.6.2) also encourages livestock farming in counties like Leitrim where afforestation may be an economically more productive alternative. The Old Age Pension can also be granted to persons with low valuations whereas money received from the sale of land would be assessed as means.

These observations suggest that afforestation programmes, despite their advantages in marginal land areas, are hampered by both popular attitudes and public policies. They illustrate the manner in which isolated measures, each focused on a particular aspect of a general problem and formed autonomously, can be mutually inconsistent.

5 B Future Policy Options

Land policy measures may be directed towards:

- (i) existing owners or occupiers, e.g., to secure better use or to ensure greater mobility of land out of the hands of one set of occupiers to another;

- (iii) the process of mobility itself, i.e., by regulating the acquisition of control over the use and ownership of land.

5.6 Land Market Interventions

While the land market accounts for a proportionately small share of land transfers it does offer an immediate point at which public policy may intervene to improve existing patterns of land structure and use. This may be said despite the sacrosanct place accorded, historically, to the free sale of land, and notwithstanding that any intervention would place land market transactions in an exceptional light compared to other property markets. However, the important criterion by which a policy should be introduced is the extent to which the common good requires the particular measure, not the prevalence of a tradition rooted in different historical circumstances. In any case planning regulations in urban areas impinge on freedoms to use property. Some degree of regulation would serve the interests of equity if small farmers needing additional land were to benefit. It could also improve agricultural productivity in so far as it limited the accumulation of large acreages that might not be worked intensively.

The principle of market regulation has in fact already been proposed by the Inter-Departmental Committee on Land Structure Reform in its Interim Report (May 1977). We endorse this recommendation.

One option in regulating land market transactions would be to prevent certain categories of persons (e.g., those in full-time pensionable employment or in established professions) from purchasing land. This was considered by the Inter-departmental Committee but rejected as likely to be unconstitutional. Another possibility available is to allow all categories of persons to purchase agricultural land but certain designated buyers might be required to pay a special purchase tax so as to favour small, efficient farmers in the competition for land. The Land Reform Committee was not convinced that this measure would be effective though it will be considering the matter further.

5.7 Priority Purchase Rights

The Committee's interim recommendations centre largely on the monitoring of all rural land sales by a National Land Agency. This would allow the agency to regulate the market in such a way as to refuse

consent to a particular transaction which it deemed to be contrary to good land structure policy.³ In this arrangement there would be a current register of qualified land applicants who would have priority entitlement to land coming on the market. Inclusion on this register would be based on need, performance on existing holding, production of accredited farm plans, training and education.

We would add our recommendation to this general re-orientation in existing policy. It remains to be seen, however, whether the procedure involved would be any less bureaucratic than the present time-consuming activities of purchase and re-allocation by the Land Commission. At least the proposals would have the merit of giving a greater pay-off in terms of equity (than what already exists in the market forces) and in terms of productive usage (than what currently obtains in Land Commission allocations). It would meet one of our principal requirements for land policy—the timely rescue of a category of potentially viable farmers from slipping into a cycle of decline and withdrawing from agricultural production.

Some feasibility or simulated impact-studies might be considered, however, before implementing proposals. For instance, it would be important to know, in respect of any number of recent market transactions in a particular or "typical" farming area, what the distribution of registered priority and other buyers might be. Injustices could arise for sellers or potential sellers if only registered priority applicants were to bid for land (i.e., they might receive a much lower price than in an open market).

5.8 Land Purchase Aid

Additionally, we would recommend that priority applicants be given financial assistance for the purchase of land, but only if they had insufficient resources of their own. This might involve the Agricultural Credit Corporation in changing the emphasis of its present lending for farm purchase. It is doubtful whether commercial lending organisations could be obliged to lend only or even predominantly to approved buyers (i.e., registered priority purchasers). *Repayments in any case should be scaled so that full repayments are not operable in the early years of farm development.*

³The circumstances under which consent to a particular transaction might be refused are enumerated in the Committee's Interim Report, page 12.

5.9 State Land Bank

While accepting the general orientation of the Inter-Departmental Committee's interim proposals for intervention in the land market we feel they place nearly all the importance on owner/occupancy. The measures suggested by the Committee are modifications within the present (owner occupancy) system of land tenure and have little potential for bringing about some variation from the system itself. One of the circumstances mentioned under which a land agency might refuse consent to a transaction is when the purchaser's holding, after the transaction, exceeds £200 RV in the eastern or £125 RV in the west.⁴ This stipulation, coupled with the restriction of the market to a delimited number of priority listed land applicants—even if their purchase effort is subsidised—runs the risk of depressing the market and thereby limiting further the amount of land coming for sale. Or alternatively, in a buoyant market those with priority entitlement might still find land too expensive. In these cases the Land Agency itself would have to be willing to purchase the lands on offer.

We recommend that the Committee explore the possibility of having a State land bank created whereby lands could be bought and leased to deserving applicants, especially landless young farmers, on a long-term basis. The Land Commission in its present operations lets a considerable amount of land year after year. The issue of public shares could help finance such a measure similar to the manner in which other aspects of national development have been promoted since the foundation of the State.

5.10 Landholding Agencies

Additionally, the accumulation of land for land ownership by individual purchasers might be allowed provided that acreages acquired over a certain quota were not retained for use by the owner but leased for a 12 year period. That is, rather than obliging any purchaser to pay a purchase tax or observe quota restrictions in the interests of a wide distribution of ownership, the emphasis would be on the allocation of *usage rights* to as many able farmers as possible. In France, for instance, limits are imposed on the amount of land that can be farmed but not on the amount owned.

⁴This means, in effect, that vendors of large estates would have to sell in appropriately sized lots or the purchaser would be legally bound to re-sell in lots.

The Committee should also examine the possibilities of allowing financial institutions to invest in land by purchasing it for long-term leasing to efficient farmers, e.g., those who have completed farm apprenticeship schemes or who are working as farm managers. In France also "landholding companies", or some such forms of "land associations", have been conceived to allow capital to flow into agricultural and land improvement. Such companies hold the land but its use is leased to young farmers who can then devote their funds to working needs rather than to the expensive business of land purchase. Because of the continental control on land rents and the high degree of security which tenants have, shares in such landholding companies are given tax concessions to entice investors in this direction. In this country co-operatives could acquire land for this purpose.

The main point, however, is that there should be as much flexibility as possible to break up the present rigid system of tenure and structure in our agricultural land.

5.11 Land Mobility through Farmer Retirement Schemes

The reference here is to the special EEC Directive 160 and the general background is outlined in Section 5.3. In the absence, so far, of any systematic evaluation of the reasons for the scheme's failure to make significant impact among its target population it is very difficult to offer specific recommendations for improvement. In the light of the comments made in this regard in Section 5.3 a number of possibilities can be considered.

5.11.1 Relationship with Old Age Pension

An option suggested from time to time (especially by farmer organisations) is that the benefits accruing to the retiree (e.g. the premia, sale or rental value of land) should be excluded from assessment for the old age pension. At present, the closer a farmer is to the maximum non-contributory old-age pension, the less his direct gain from the retirement scheme. The inconsistency here is that an elderly farmer may have low means because of low-intensity farming and declining capacity for farm work, and his pension, therefore, will be relatively high. On the other hand, if he were to dispose of the same holding under the farm retirement scheme, his means in cash acquired would be substantial. *Nevertheless, it cannot be recommended that*

persons with considerable liquid assets acquired under this scheme should have them exempt from assessment for old age pension purposes. This would involve increased public expenditure and would be inequitable in comparison to non-farming persons who are "means-tested" for the old age pension.

5.11.2 *Premia and Bonds*

Increasing the premia and the annuities are other possibilities in promoting the Farmer Retirement Scheme. Undoubtedly, the value of these should keep pace with changes in money values, but there have been delays in making adjustments in the past. The sale of land might also be made more attractive under the scheme if sellers were allowed to invest their money in bonds on which interest payments would be adjusted each year with the cost of living. This would maintain the real value of assets although it would mean that the State would lose the advantages it has on other bonds, i.e., of having inflation reduce their real value.

5.11.3 *Other Adjustments*

There are other improvements that could be made within the framework of the existing scheme. Fringe benefits available to old age pension recipients should be offered also to Directive 160 retirees. There are, it would seem, areas in which there are comparatively few development farmers with land needs to whom the retiring farmer's land might be transferred, as required by the scheme's regulations. Nationally, the category of "development farmers" represents only 16% of persons applying for classification under the EEC modernisation scheme. An expansion of this category, or a national farm development programme of wider scope would increase the opportunities for matching those retiring with those needing land.

As noted before retirees may also sell to the Land Commission. However, selling has an aspect of finality to it that seems to lessen its appeal to elderly farmers generally. Consequently, the Land Commission should be empowered to take the land on lease which it then could re-lease at a suitable opportunity.

The inflow of land under the Directive might also be increased if the present upper limit of 45 adjusted acres was removed.

5.11.4 *Imposing Sanctions*

All these suggestions relate to facilitating or enticing elderly farmers to release land. Other options could be based on making the non-acceptance of the scheme much less attractive or even burdensome. We have already proposed (Section 4.7.2) a flat rate of tax on land, thus rendering unproductive occupancy of land more difficult. Also the use of a realistic notional income in assessing means for the old age pension would lessen the chances of an applicant in qualifying and so increase the advantage of the retirement scheme. In regard to the old age pension we would not go so far as to favour measures moving towards rigorous means-testing. Social policy generally now tends to go in the opposite direction—granting welfare benefits on a less selective basis. Taxation and income assessment have several other implications and some of these are referred to elsewhere in this Report (Chapter Four and Chapter Six).

5.11.5 *Using a Different Strategy*

In any case, incentives and sanctions of the kind mentioned constitute an acceptance of the basic premise of the scheme, viz., that land transfer is motivated by monetary considerations of gain or loss. This is not necessarily so. *Indeed, we feel that it is more realistic to see all farmer retirement, even in the case of those without family successors, as a part of the pattern of intergenerational transfer of property within the kinship circle.* The evidence on the accession of managerial control and ownership in NESC Report No. 27 does, in fact, show that the transfer of land among the wider kin group is as significant as that coming on the market. Consequently, the problem of acquiring land from the target population envisaged in Directive 160 should be approached within the general framework of measures directed towards farm inheritance. This is discussed below.

5.12 *Farm Inheritance and Succession*

Farm transfer outside the market is by far the predominant mode of land mobility. The late age at which landholders pass on ownership—and the consequent late age of inheritance—have long been regarded as particular problems of Irish land tenure. The declining marriage rates (referred to in Chapter 2) are accentuated by late farm successions. The implications of this for future family formation, together with the

effects of advancing age on enterprise and ability, have consequences for farm productivity and land use.

5.12.1 Sanctions

In this matter of ensuring better land use and greater land mobility, various sanctions rather than incentives can be used. However, as noted above (Section 5.11.4) in regard to the old-age pension we would not recommend measures of a strongly coercive kind, viz., those that impose strict means tests. In any case, "imposed" solutions to problems in the area of family relationships are unlikely to prove personally satisfying and may in fact create new difficulties. It seems more desirable to assume a certain amount of "natural love and affection"⁶ as a basis for family land transfers and then to facilitate such transfers by making adequate pensions available on a less restrictive basis, and by shifting the focus of much of the advisory work in farming.

5.12.2 Role of Advisory Service

We recommend that the farm advisory service focus on land mobility through early inheritance and succession as one of the central problems of advisory work. Structural problems such as these are, we suggest, far more basically inhibitive to agricultural growth than the absence of technology or the gaps in the communication of research information to farmers. One of the characteristics of the conventional advisory role is its bias towards technical production problems. A consequence of this is that farm inheritance, despite its long-run importance for agriculture, is relegated to the legal sphere or is regarded as a "family" matter. This was understandable in the absence of any training on the adviser's part in this area. However, advisers nowadays, especially those with an interest in socio economic guidance, should have an opportunity to acquire specialist skills in treating inheritance and succession not alone as a problem of managing interpersonal relationships in the farm family but as an integral aspect of farm management (see Section 4.4). They could help in planning for a phased, progressive transfer of functions from donor to inheritor, in arranging family agreements on sharing management and returns and on establishing various forms of co-ownership, or other

gradual means of transferring land.⁶ A closer collaboration with legal experts would be necessary in this matter. Informational materials would have to be available for wide dissemination, as in the more technical aspects of farming. This approach would be more effective if supported by some policy measures.

5.12.3 Incentives

Granting the old age pension relatively free of a means test would, of course, allow farmers to retain ownership control. But we do not know to what extent they would continue to do so if farm advisers (including home management advisers) took the initiative in helping farming families to come to agreements about the future disposition of the farm. For example, adequate old age pensions plus the possibility of leasing the farm to an heir on a nominal rent suitable to the individual circumstances of the farm and family would allow the donor the opportunity to relinquish the use of the farm. A special pension could be given to any donor who transfers before the normal qualifying age for the old age pension, provided the inheritor or donee had an accredited farm plan. Over the longer term when State social insurance will be extended to farmers, retirement benefits could be made conditional on the disposal of usage rights (at least) to land.

Alternatively, newly established operators could be given more conscious recognition through special credit facilities or relief of taxation. This, however, would still leave the initiative with the donor.

5.12.4 Changing the EEC Retirement Scheme

In relation to this scheme our view, already indicated (Section 5.11.5), is that any financial incentives, other than ones outside the tolerable range of public expenditure, will not make a significant impact on the movement of land from older farmers without direct heirs to another generation of farm operators. Such older farmers are now enticed by the Scheme to sell or lease their holdings but in a time of

⁶The arguments for a gradual or phased transfer of farm management functions from parents to successors have been set out by Commins & Kelleher (1973, page 84). They also proposed that some such concept as a "family annuity plan" be introduced into family farming. This could be a "negotiated" or "family" rent paid by the successor to the donor for the use of the land. Used in conjunction with a State retirement insurance scheme for farmers, with pension benefits commencing with the annuity plan, this arrangement would provide financial independence for both parties. The various legal options for transferring land were also discussed.

⁶A phrasing used in legal documentation on inheritance

rising land values selling is not attractive. It is even less so when there are many other advantages in being in possession of land—such as availability of Smallholders' Assistance or of fringe benefits attached to the receipt of the old age pension which can now be obtained by persons with reasonably-sized farms. Leasing is not an established system of land tenure. However, the point to be emphasised here is that well entrenched custom dictates that, when there is no direct heir, family holdings will be passed on to a successor from within the wider circle of family relatives. Typically, the inheritor is a nephew of the transferor. The transfer is made on much the same considerations as in the case of the more general father-son settlements, with arrangements made for the material and emotional support of the donor in old age.

Rather than defying this tradition, as in the present scheme, policy might be more successful if concentrated upon expediting and supporting what older farmers want to do, and are doing ultimately, but belatedly. The poor response to the existing scheme means a certain saving of public money but it leaves the problems unresolved. Therefore, it should be possible to re-allocate even some of this money but to greater purpose. *Rather than the State involving itself in purchasing and re-selling retiree's land and granting premia and annuities, the advisory service should concentrate upon encouraging earlier transfers of land (or the use of land) in accordance with the wishes of the landholder.* Helping farmers without direct heirs to make satisfactory arrangements, like encouraging father-son transactions, is, of course, a special task requiring training (Section 4.4 refers particularly to needed revisions in the agricultural advisory services). Leasing or partial transfers could be fostered more easily to relatives than to non-relatives. The money available could be devoted to giving pensions to those retiring before the qualifying age for the old age pension. Or, if those farmers without direct heirs transferred holdings that then formed potentially viable farms (e.g., currently units of 55-65 acres) they could be given a premium only at the time of the transaction—especially if it was only a leasing arrangement. To qualify for incentives, retirees, at present must transfer to "development category" farmers. These, as we have seen, are categorised as such according to rigorously high income criteria. Aiming for a greater number of potentially viable farms would improve farm structure on a

more widespread basis than hitherto whereas the present scheme improves productivity but only on a limited number of farms.

In summary, our main recommendation is that land mobility, in our predominantly family-farming, owner occupancy tenure system must be tackled as an inheritance problem. The new National Agricultural Authority should give priority rating to this matter in a comprehensive programme devoted to land structural reform. A number of pilot schemes involving groups of farmers, organisations, experienced advisers and legal consultants might be established initially to develop the longer-term strategy.

5.13 Leasing

There is need for a greater degree of long-term leasing than at present, though it is difficult to see this kind of land-tenure becoming very common. We have already suggested that the State (through the Land Commission or similar body) could set the example by leasing some of the land it has on hands, or may acquire. The law should be examined to see whether lessors have full power of re-possession in cases of default on rents, or disagreements on rents chargeable for renewals. Apart from clarifying the legal situation there is need for a whole supportive framework if leasing is to become a more important means to land mobility. This might include a statutory body to review rents, an active promotional agency and advice on leasing contracts. Leasing should of course be a major subject within the comprehensive advisory programme devoted to land structural problems.

The main arguments for a greater degree of long-term leasing is that it ensures better land use and also provides opportunities for young landless farmers to begin farming without committing large sums of money on land purchase. But there is evidence (Cox, 1976) to show that land rented for a one-cropping season is managed as well as non-rented cropland. For permanent pasture, however, average use of fertiliser was lower for 11-months rented land than for other land. Hence, as a priority, longer lettings should be encouraged for grazing.

5.14 Land Use

The first objective in promoting more intensive land use in agriculture should be to improve the management performance of existing farm occupiers. The previous chapter offered proposals in this regard. Secondly, better land use is encouraged through the promotion

of greater mobility in land from inactive to efficient landholders. Recommendations on this point are made in the present chapter. We have also shown how taxation and social welfare systems can be used to place the onus on landholders to achieve more productive land use. Thus, although the emphasis should be on incentives and supports, the ultimate sanction of compulsory acquisition should be the prerogative of the State in cases of continued neglect of land.

The potential of forestry as a form of land use in marginal areas has already been indicated (Section 5.5). One method of increasing the area under forest is the promotion of private forestry. In other EEC countries there is a definite emphasis on private forestry whereas in Ireland forests are predominantly State-owned. Subventions are available from the EEC for private forestry and at present Ireland cannot avail of such aid. We support the recommendation of Bulfin and Hickey (1977) in the Leitrim context that an annuity purchase scheme be introduced whereby landowners would plant their own land and receive an annual income from a purchasing agency. The agency, which would contract in advance to buy the entire crop, could be either an agricultural or specially formed forest co-operative. Such a scheme would help overcome opposition to afforestation on marginal lands. The advantages of the scheme to the landowner are that he can retain ownership and management of his land while receiving a regular income linked to the value of timber. Once the crop was felled the agency would not only be reimbursed for annual payments to landowners but would also profit from the arrangement. From a national viewpoint, land would be transferred to a more productive use with minimal disturbance of population.

5.15 Conclusion

While land policy and the institutional arrangements for its implementation have evolved gradually over time, the present system is basically one that originated in the circumstances of the late 19th century. The need for reform has already been officially recognised by the establishment of a special Inter-Departmental Committee. While we have made proposals for adapting policy to the requirements of modern times it is hoped that the Committee's more intensive study of the issues involved will result in recommendations and action to solve the problems of Irish land tenure.

CHAPTER SIX

INCOME MAINTENANCE

6.1 Introduction

In Chapter Two we outlined the economic decline among small farmers, showing how demographic trends and family failure resulted in declining agricultural growth. Small farmer incomes have also disimproved relative to incomes on the bigger farms. We also noted that a section of the land-holding population cannot be helped to any worthwhile extent by policies for agricultural development. The levels of family farm income (See Tables A.10 and A.11) already indicate the need for public policy to ensure that smallholders' incomes are maintained to a point sufficient to guarantee a basic level of living. The main issue then, is how to administer such a policy so as to lessen any adverse effects it may have on economic enterprise and to avoid perpetuating a climate of dependency on public welfare.

A second matter of relevance in this context is the possibility of extending compulsory State social insurance provision to farmers and their relatives.

6.2 Smallholders' Assistance

This was introduced in 1966 for specified areas in the west and was based on a notional measurement of farm income assessed on the landholder's rateable valuation. This allowed farmers to maximise farm incomes without fear of a consequent reduction in assistance money accruing to them. From 1966 to 1976 the notional income of £20 per £1 RV remained unchanged but rates of assistance increased annually. The result was that a greater number of small farmers became eligible for assistance. Between 1966 and 1975 the annual average number of applicants for Smallholders' Assistance increased from 6,958 to 29,224. Over the same period expenditure on the scheme increased from less than £1 million to almost £16 million per annum. In 1976 expenditure reached £18 million.

The impact of these changes at local level can be seen by contrasting the experience of the remoter, poorer part of County Clare (Kilrush) with the Ennis environs (Tables 6.1 and 6.2).

TABLE 6.1

Applicants for Smallholders Assistance by Local Office in Co. Clare, in January 1966, 1970, 1975

Office	1966	1970	1975	% increase 1966-1975
Ennis	83	204	386	365.1
Ennistymon	155	341	681	339.4
Kilrush	76	346	959	1,161.8
Tulla	8	52	214	2,575.0
Total	322	943	2,240	595.7

TABLE 6.2

Total Payments of Smallholders' Assistance made in each Local Office in Co. Clare during the last week of October, 1967, 1970 and 1975

Office	1967	1970	1975*
Ennis	£ 271	£ 846	£ 5,220
Ennistymon	486	1,463	8,090
Kilrush	413	1,672	11,120
Tulla	53	271	2,750
Total	1,223	4,252	27,180

*Estimate.

Source: Dail Debates, 17 December, 1975.

Within County Clare, the number of applicants for Smallholders' Assistance increased sevenfold between 1966 and 1975. The increase in the Kilrush office area (and in Tulla, though the total numbers are still relatively smaller) were particularly striking. By 1975, the Kilrush office was making weekly payments of £11,000 compared to some £400 a decade previously.

The Budgets of 1976 and 1977 provided for substantial changes in the scheme so that at present two rates of notional income are in operation, i.e., (i) £20 per £1 valuation for farms up to £15 valuation and (ii) £30 per £1 valuation for farms between £15 and £20 valuations. Those with holdings in excess of £20 valuation are no longer assessed on a notional basis but must undergo a factual assessment of means. The effect of these changes was that about 5,000 farmers lost their eligibility for assistance.

Thus, while the Smallholders' Assistance Scheme is now more complex than formerly, it is being concentrated on those smallholders in greatest apparent need. A problem, however, is that in the absence of any detailed evaluation of the scheme little is known about its possible consequences in terms of implications for farm output, land-use, or the perpetuation of a spirit of dependency on public welfare. It could conceivably affect the willingness to offer land on the terms of the Farmer Retirement Scheme. Since the upper qualifying age limit for Smallholders' Assistance is the same as that for the old age non-contributory pension it could also adversely affect the early transfer of land. At present, the Smallholders' Scheme is a disincentive to the acquisition of extra land though many in the scheme may not be the most likely in any case to use land effectively for agricultural purposes.

While smallholders have, through their possession of land, various opportunities to supplement their incomes both by working the holding well and availing themselves of other benefits such as headage payments or the "dole", the real problem of rural income maintenance lies in certain sections of the rural non-farm category. We have already seen their relative deprivation on a number of indicators (e.g., see Table A.1).

6.2.1 Popular Criticisms of the Smallholders' Assistance Scheme

Few would disagree with the principle of income supplementation for low income farmers. However, it is the method by which farmers

become eligible for such income supports which gives rise to differences of opinion. The popular criticisms of Smallholders' Assistance may be summarised as follows:—

- (i) it is inequitable by comparison with unemployment assistance for the urban unemployed who have to rely on assistance alone while farmers have another source of income in their farm and they hold a valuable asset in their land;
- (ii) farmers with relatively high incomes from farming still qualify for assistance;
- (iii) the scheme is still a disincentive which militates against the likelihood of the farmer increasing his income by his own efforts on the farm.

These criticisms are examined here. We cannot base our observations on empirical studies and we propose that a study of the impact of the Smallholders' Assistance Scheme on farm output, land mobility and other related issues be undertaken before any major changes are made.

Criticism One: "The Smallholders' Assistance Scheme is inequitable by comparison with assistance for the urban unemployed; if all farmers were assessed on a factual basis many would be ineligible for assistance."

It must be remembered that the notional income assessment was introduced principally because of criticisms of means testing of actual income. It was argued that assessment of actual farm income was a disincentive to the smallholder to work his farm efficiently. Consequently, the notional method of assessment was deliberately adopted so that agricultural output from the holding would not be taken into account in reckoning income. It might also be regarded as a form of positive discrimination in favour of a section of the farming community whose farm incomes have traditionally lagged behind those in other areas of the country. However, it could be argued, on the other hand, that low-income farmers outside the western region should also

be entitled to have their incomes assessed on the notional method when applying for assistance.

To make the Smallholders' Assistance Scheme more equitable an obvious solution would be to abolish the notional system and revert to a means test of actual income. It is unlikely that public opinion would object to such a move since means testing is, apparently, still acceptable in Ireland. From the point of view of claimants, however, it could be regarded as a retrograde step.

Criticism Two: "Farmers with relatively high land valuations qualify for assistance because of the outdated Poor Law valuation system to which the notional income is tied. Secondly, the notional figure used may be a serious underestimate of actual income in some cases."

The incidence of underestimation is likely to have declined as a result of changes introduced in the scheme in 1976 and 1977. To eliminate these anomalous situations while accepting the present scheme, the solution would be to review the land valuation system and to have periodic adjustment of notional income.

Criticism Three: "The Scheme is a disincentive against greater effort by farmers themselves to fully work their holdings."

The Smallholders' Assistance Scheme need not constitute a disincentive and it was precisely for this reason that the method of assessing income was revised in 1966. Nevertheless, it does not ensure greater initiative on the farm. It is conceivable that although the scheme allows farmers to maximise incomes without loss of benefit, the weekly assistance payment may in practice remove any pressure on them to do so. The importance of this point, however, rests on the assumption that in the absence of income aids, many farmers would respond by improving the income-earning capacity of their own farms. Such an assumption is questionable particularly when we consider that a substantial proportion of the farm population in the western region "cannot be helped to any worthwhile extent by any meaningful policy for agricultural development" (Scully, 1971, p. 159). It seems very unlikely that a loss of dole would radically alter their pattern of farming. In contrast, those farmers who have the willingness and ability to work their own land resources are unlikely to be deterred from doing so

simply because they receive Smallholders' Assistance. In fact, income supplements may very well be of vital importance to improvements in working the farm.

As a result of the changes in 1976 and 1977 there is now, admittedly, a greater disincentive for a smallholder to acquire extra land. This applies in particular to farmers whose present land valuation is less than £15—in which case the notional income is £20 per £1 land valuation. A move from this category into a higher valuation bracket results not only in the application of a higher notional income (£30 per £1 valuation on holdings between £15 and £20 valuation) but it also brings a lower maximum rate of weekly assistance. (The maximum rate for an unmarried farmer with a holding of less than £10 valuation is £11.35—April 1978—while that for an unmarried farmer with a holding between £15 and £20 valuation is only £7.75). The disincentive would be greatest for married farmers with a large number of children and it is likely that in the short-term their net income on assessment could be lower as a result of acquiring additional land. This would depend, of course, on whether the farmer was engaged in intensive or extensive farm enterprises and whether the land acquired was purchased or inherited.

In the context of the criticisms outlined it is sometimes contended that Smallholders' Assistance should be used as an instrument of farm development and that payments take the form of an incentive which would encourage better use of land. This raises questions which merit careful consideration. In the first instance the idea assumes that the present scheme is a disincentive, a matter which, as we have seen, remains questionable. Secondly, to use Smallholders' Assistance as an incentive measure would be to negate its primary purpose, i.e., that of income maintenance. Thirdly, while some farmers would respond to the incentive others might be unable to do so for a variety of reasons, such as health or lack of essential capital. This latter group, therefore, would still have to be catered for by some other income maintenance scheme, given that the principle of a guaranteed minimum income is embodied in legislation.

As we have stated in the previous chapter there is a case for supplementing low incomes where the farmer is committed to using his land resources but this would be basically an agricultural development scheme.

6.2.2 Options Available for Amending the Smallholders' Assistance Scheme

In view of the relatively disadvantaged income position of some farmers a case can be made for the continuation of income supplements. The principle of income supplementation for persons on low incomes has been accepted in Britain since the introduction of Supplementary Welfare Benefits and Family Income Supplements in 1966. In Ireland the same principle of a guaranteed minimum income has been embodied in the Social Welfare (Supplementary Welfare Allowance) Act of 1975. Assuming the need for income supplements for low-income farmers a number of policy options exist.

(i) Abolish notional assessment and revert to pre 1966 factual assessment of income.

This would eliminate many of the perceived "abuses of the Smallholders' Assistance Scheme" and would ensure that only the most deserving cases obtained assistance. From an administrative point of view, however, such a change would be more costly and time consuming. Furthermore, a reversal to factual means-testing could be regarded as a retrograde step in welfare administration.

(ii) Confine assistance to farmers below a certain valuation.

To a large extent the recent changes have been moving in this direction with farmers on holdings exceeding £20 being effectively debarred from assistance and only farmers with less than £10 valuation consistently receiving increases in assistance.

(iii) Retain the notional basis of assessment but provide for an updating of the land valuation system.

A reform of the Poor Law valuation would have implications not only for Smallholders' Assistance but for entitlements to other social services also. Additionally, it would affect liability for income tax and local taxation. It would reduce the anomalies and inequities associated with the present rateable valuation system. An updating of land valuation, however, is acknowledged to be a time-consuming and costly process but would seem justifiable in view of the many aspects of social policy related to land valuation. A less expensive method and one recommended in NESC Report No. 15 would be to use the soil classifications of the Agricultural Institute as a basis for re-valuation of land.

- (iv) Adopt regional notional incomes, provide for their periodic adjustment with a base on an updated land valuation.

This would be more equitable than the present system of using one notional figure as farm incomes vary substantially between regions. An adjustment of the multiplier to take account of changes in farm income would also ensure a reasonable correlation between actual and acquired income. The changes which occurred in the Smallholders' Assistance Scheme in 1976 were required because the multiplier had remained unchanged for ten years. This approach would obviate the necessity for a re-introduction of factual assessment and would be less costly from an administrative viewpoint.

6.2.3 Recommendation

From the point of view of administrators and claimants the less complex an assistance scheme is, the better. *In assessing farmers' means for Smallholders' Assistance we recommend that regional notional incomes with a base on an updated land valuation be adopted and that the multipliers be adjusted periodically.* Regional notional incomes per £1 land valuation could also be used for determining eligibility for other social services, e.g., higher education grants, and for establishing liability for land tax. The use of one standard method for assessing farm income would considerably reduce much of the confusion and anomalies which now exist both within and between the administrations involved in providing social services.

Finally, in the interests of equity, Smallholders' Assistance is to be applied more selectively (and recent changes have tended to move in this direction) then there would seem to be strong arguments in favour of the principle of selectivity in other schemes where payments are not related to need. The Children's Allowance Scheme is a case in point; and the total expenditure (excluding revenue forgone through income tax allowance for children) greatly exceeds that for Smallholders' Assistance.¹

6.3 State Social Insurance for Farmers

The abolition of the insurability limit for non-manual workers in 1974 has greatly increased the number of persons covered by social

¹In 1975, total payments under the Children's Allowance Scheme amounted to £45.427 million whereas the corresponding figure for Smallholders' Assistance was £15.837 million.

insurance. Some gaps in coverage still remain, the most notable relating to the self-employed. This gap is particularly evident by comparison with other EEC countries, all of which have insurance schemes catering for the self-employed. The self-employed, like other members of the community, are also vulnerable to contingencies such as sickness, invalidity or old age. The case for including the self-employed in insurance schemes is, therefore, justified on grounds of equity alone. Almost two-thirds of the self-employed in Ireland are engaged in the agricultural sector.

A Green Paper on Social Insurance for the Self-Employed has been published recently by the Department of Social Welfare. This discussion paper indicates the issues involved in introducing a State social insurance scheme or schemes for the self-employed e.g. the contingencies against which protection should be provided, whether inclusion should be compulsory or voluntary, whether contributions should be flat-rate or income-related and the method of collection of such contributions.

It is recommended that following consideration of the Green Paper by interested parties a State social insurance scheme for self-employed persons be introduced. In relation to the farming community any proposed social insurance scheme will have to take sufficient cognisance of the likely effect of receipt of contributory old age pensions on land mobility. Under a contributory scheme, means from the farm would not affect entitlement to an old age pension and the incentive to transfer the farm on reaching pensionable age would be lessened. It may be necessary, therefore, in view of the serious farm structure problem which exists, to make transfer of land (either by sale, intergenerational transfer or leasing) a condition of receipt of pension. Such a precondition applies in Germany (Green Paper p. 15).

CHAPTER SEVEN

POPULATION AND EMPLOYMENT

7.1 Introduction

In a modern economy, the welfare of the rural population comes to depend to an increasing extent on policies other than those concerned with the agricultural sector. Even in the most rural and agricultural region (the north western counties) one-third of the rural labour force is engaged in the non-farming economic activities, i.e., manufacturing and services. This proportion reaches almost two-thirds in the eastern counties. The smooth transition from a predominantly agricultural to a more industrial economy requires the gradual absorption of surplus agricultural labour by an expanding non-farm sector. Where this expansion takes place has an important bearing on the maintenance or decline of rural population levels. It brings into focus the national policies for population deployment, industrialisation, and regional development.

7 A. Current Policy

7.2 Rural Population Maintenance and Industrialisation Policy

In the past, successive Government programmes for economic development stressed the need to retain the maximum number of people in farming, "consistent with economic and social progress" and to create viable farm units with minimum disturbance of population. Over the past decade or so, but especially since EEC membership, there has been an increasing recognition that economic and social progress means, in effect, acceptance of the inevitability and even the necessity of continued decline in the number working in farming.

Maintenance of rural—as distinct from the farm—population,

however, has continued to be a national objective. The Third Programme for Economic and Social Development (1969) anticipated that with industrial and allied developments a better balance between agricultural and non-agricultural activities could be created and this would enable existing levels of population to be maintained in many rural areas.

Yet there remained the problem of reconciling the maintenance of rural population numbers with the objective of establishing a policy towards creating full employment. The Buchanan Report (Colin Buchanan and Partners 1968) favoured a strategy of what one might call moderate concentration of industrial development. It recommended a neutral policy for Dublin (i.e., that industrial development should neither be encouraged nor discouraged there by government policy); that Cork City and Limerick-Shannon should be vigorously developed; and that Waterford, Dundalk, Drogheda, Galway, Sligo and Athlone should be promoted as regional centres. It proposed that Tralee and Letterkenny be developed as local growth centres and said that further study was needed to select local centres for Counties Mayo, Longford, Cavan and Monaghan.

The Government did not accept the Buchanan proposals. It opted for the maximum spread of industrial development in order to minimise internal migration and population dislocation (Government Statement, 1972). In accordance with this policy the Industrial Development Authority adopted a strategy of dispersal of new industry (Regional Industrial Plans 1973-1977, Preliminary Statement). In each planning region targets for new manufacturing jobs were set for town groups. These groups generally contained 3-4 towns. The basis of the strategy would seem to have been to estimate the growth of the labour supply for each group of towns and surrounding hinterland and then to calculate the required number of manufacturing jobs. The strategy involved the objective of limiting the population growth of Dublin to its natural increase but it provided for the conscious build-up of the larger population centres other than Dublin. No area in the country of any significant size was left without a job target for manufacturing employment. With the possible exception of the development of large centres other than Dublin, the strategy seems to be totally in accordance with the government's wishes of minimising the movement of the labour force.

7.3 Effect of Industrialisation Policy

Evaluation of policies of industrial development depends on the criteria chosen. A study of the industrial incentives scheme since its inception in 1952 showed that, by March, 1971, grant-aided industrial undertakings, were in operation in 271 separate locations (O'Connor, 1972). Nearly half of the 377 firms established had settled into towns of less than 3,000 persons and two-thirds in towns of fewer than 10,000 persons (O'Connor, 1972). A study by O'Farrell (1975) showed that good performance or failure of new industrial projects was independent of either regional or town size location.

Analyses of demographic changes over the 1960s compared to those of earlier decades, suggest that the policy of industrial promotion and development was successful, in that some major debilitating population trends were reversed (e.g. national emigration, or decline in young adult age cohorts). The dispersal strategy could also be regarded as successful to the extent that regional losses in population were being ameliorated by the late 1960s (See Section 2.3).

In its Annual Report for 1976, the Industrial Development Authority has provided information and analysis of the results of its activities for four years of the five year planning period 1973-1977. Between 1973 and 1976 there was a small reduction in total manufacturing employment, but this of course was a period of exceptional economic difficulty for the Western World. Problems were accentuated in Ireland by the reduction in tariffs and other restrictions on imports from other member countries of the EEC. There were substantial job losses in older established industries. These were particularly severe in the Eastern (i.e. Dublin) region, where job losses exceeded new jobs by nearly 11,000. The only other region to have a net reduction in manufacturing employment was the North-East (Louth, Monaghan and Cavan). For the West and Midland regions net job creation was 95% and 96% respectively of Industrial Development Authority targets; for the South-East and North-West it was 70% and 63%. Clearly, these four regions, which are mainly rural, have done very well in a period of considerable difficulty.

The general conclusion would seem to be that rural areas have benefited substantially from these industrial development policies. Of course, full evaluation of these policies would require analysis of their effects on urban areas (in terms of jobs foregone) and on the total

economy. Such a full assessment would also require a time perspective extending beyond the period for which grants and tax advantages are applicable.

7.4 Continuing Problems

While these patterns of industrial growth are incipient signs of an encouraging future for rural employment, they must be seen in the context of the enormous task of creating full employment nationally and of absorbing the numbers of job seekers even within each region.

Firstly, in 1971, the total number of people at work in the State was lower than in 1966 and only marginally greater than in 1961. Unemployment, on the other hand, increased. The relevant statistics from the Census of Population are as follows:

Persons 14 years and over	1961	1966	1971
At Work	1,052,539	1,065,987	1,054,839
Out of Work	55,569	52,217	64,692
At School etc.	116,452	142,993	186,138
Others	774,025	777,686	799,652

Rising unemployment—which has since doubled—and increasing numbers at school offset gains in new jobs. Males employed in agriculture declined by 51,000 in 1966-71, while the growth in non-agricultural employment for males was only 53,000. This suggests that while younger farm youth may be finding local employment (thus lowering rural migration and depopulation rates) the result is a shift of unemployment and underemployment out of agriculture to the regional economy generally rather than any overall reduction in unemployment.

Secondly, since the economic recession, the needs of the urban unemployed¹ compete with any policy to develop sufficient jobs to maintain rural population levels even allowing for the likelihood that not all rural localities can hope to have jobs provided within easy reach. Dublin now has a demographic structure such that even coping with its natural increase of potential job seekers presents a formidable problem.

¹There is now more emphasis than formerly on job creation in the Dublin region. See *Dáil Debates*, 10 June, 1975.

Given the recent decade's growth in other urban centres it is likely that they will also have higher job demands in coming years.

Thirdly, the growth in non-farm jobs must be seen in the context of labour losses off farms. Regional growth in the non-agricultural labour force varied widely in 1961-71. The principal contrast was between eastern counties (+26%) and the north-west (+11%). The regional divergencies in labour force change are seen very pointedly when growth in non-agricultural employment is expressed as a ratio of the decline in the numbers working in farming.² Nationally, for each 100 persons in the farming population decline in 1961-71 the increase in non-farm workers was 102. However, the corresponding increase ratio varied from 2,900 in County Dublin and 197 in its neighbouring counties to 16 in the north-west. Even within County Clare the contrasts are revealing. Despite the considerable efforts involved in generating employment in the Shannon-Ennis area the loss of 4,943 persons in agriculture in 1961-71 was matched by only 3,752 extra persons employed outside agriculture—a ratio of 100 : 76. This ratio varied from 237 in the Ennis/environs area to 25 in West Clare.

The experience of the Mid-West Planning Region illustrates the magnitude of the regional employment problem. Table 7.1 shows that the total at work rose slightly between 1961 and 1966 but fell thereafter.

TABLE 7.1
Distribution of Mid-West Region Labour Force (000's)

	1961	1966	1971	1975
		(000's)		
Agriculture, forestry, fishing	44.6	38.8	32.1	23.1
Other production industries	17.2	23.1	25.6	28.2
Services etc.	32.3	34.0	35.4	38.6
Total at work	94.1	95.9	93.1	89.9
Out of work	6.4	5.8	6.4	10.0*
Total Labour Force	100.5	101.7	99.5	99.9

*Estimate.

Source: Census of Population; Labour Force Survey 1975.

²This is a simple view of a more complex set of changes. Not all of the decline in agriculture is composed of persons looking for work, while growth in non-farm employment is not an estimate of the numbers of new jobs being created.

There may be some lack of comparability between Labour Force Survey and Population Census statistics. However, any difference on this account would be unlikely to alter the general picture. Between 1971 and 1975 the numbers unemployed on the Live Register at offices in the Region rose from 5,500 to 10,350. According to the IDA's 1976 Annual Report net job creation in manufacturing industry in the region (gains minus losses) was only 200 in 1973-76.

Therefore, despite a highly developed regional industrial promotion agency and the proximity of an airport, it has not been possible to maintain the numerical level of the working population in the Mid-West Region. For 1976-86 an increase of 9% in the labour force is projected, on a nil-migration assumption (MacCarthy and Partners, 1971). This indicates the scale of the task if regional out-migration is to be contained. Clearly other regions without the advantages of the Mid-West will have a greater problem.

A fourth problem is the very wide differences in the occupational composition of the country's regions. Over 40% of those at work in most rural regions are in the primary industries—agriculture, mining, forestry and fishing. This compares with about 26% in the eastern regions. Dublin county, although having only 29% of the national population, has 41% of the State's service workers and 39% of its secondary industry workers. This contrasts with the situation in the North-West in which there is 7.4% of the country's people but only 4.8% of its service employees. So not only is the rate of growth in non-farm employment comparatively slow in the North-West but the task of creating a better balance between agriculture and non-agricultural employment is greater.

In summary, then, we may say that policies of employment creation have reduced rates of rural depopulation, except for some areas in the western and north-western counties. While the majority of rural localities still have some population losses, the dispersal policy of industrialisation has been instrumental in the general lessening of demographic decline in rural areas. Yet there are considerable problems. In particular, a growing population of young people remaining in second-level education has masked the real extent of job needs in recent years—especially in the late 1960s. While emigration figures declined, unemployment at home increased. Job needs in rural areas have now to compete with the rising claims of the eastern-urban

region for a greater share of new employment opportunities due to the natural expansion in the east's own population and the decline of its older established industries.

7 B. Future Policy

7.5 Industrial Employment

The scale of the problem of providing employment is still poorly realised despite numerous analyses and projections. Policies of dispersal and concentration of employment have already been noted (Section 7.2). We suggested that both the greater needs of rural regions and the progress so far of a policy of wide areal distribution of jobs are sufficient to warrant a continuation of this policy.³ While there is justifiable concern about the provision of sufficient employment for the expanding urban populations of the eastern counties, the location of new enterprises primarily in these areas would possibly attract job seekers from the western regions thus perpetuating the basic problems of regional disparity.

7.6 Agricultural Employment

It is against this background of urgent employment problems that we made our earlier recommendations for a new agricultural development and land mobility/usage policy. It makes little sense to base employment promotion so heavily on subsidiary plants of foreign companies—some of which have limited backward or forward linkages—while so much native resources remain undeveloped. *By the same token every effort should be made to generate maximum employment from a native food industry.* However, this may not be such a fruitful source of new employment under present conditions of organisation. Keane (1975) concluded that for those food-processing industries experiencing rapid changes in structure and technology there was a strong likelihood that employment would be reduced unless offset by a major advance in agricultural output, or diversification into more labour intensive products.

³Since this report was originally prepared, the IDA has published its plan for 1977-80 which is a continuation of its original policy of dispersal of manufacturing jobs. (Industrial Plan 1977-80, Industrial Development Authority, 1978).

7.7 Service Employment

Also, we suggest that the task of regional employment creation cannot be left to a programme of industrialisation, dependent on foreign enterprise, while expanding service employment, much of it nationally controlled, remains outside the ambit of regional policy. NESC has already recommended that the role of service-type employment in regional development should be explored by the proposed Central Committee for Regional Development in the context of regional development as a whole. (Report No. 28, Part 1, Para. 26).

A factor to be considered here is that educational programmes in the regions, as well as nationally, are weighted in favour of the more "academic" non-technical occupations. Secondary school leavers favour clerical or "office" employment. Much of the migration of these school leavers to Dublin, we feel, is primarily a movement to a type of employment and not necessarily a definite preference for the urban life of the capital. A policy of decentralisation of tertiary employment to provincial towns would largely meet the aspirations of young people and, together with industrial development, would help substantially to stabilise regional populations. Initiatives have been taken in this respect (e.g. in Garda training, in the Department of Lands and Department of the Gaeltacht) but these have been singular, *ad hoc* decisions and certainly not a constituent element in any worked out national policy of regional development (See Section 8.3 also).

7.8 Areas of Inevitable Decline

While we are proposing here that rural renewal in Ireland be based strongly on a comprehensive policy of regional employment—and this not only for the West—we must concede that all existing local communities cannot hope to maintain present levels of population. Many of them, in any case, have already a natural decrease.⁴ In each of the Planning Regions large populations live outside the major centres and their surrounding areas. The following percentages are estimates

⁴The number of rural communities (or units such as DEDs or Rural Districts) with a natural decrease in population is difficult to estimate, as births and deaths are not related to residential populations at this level. However, Leitrim County had a small natural decrease of population in 1966-71 with married females aged 15-44 constituting 6.5% of its population. In the western counties 16% of Rural Districts had a proportion of married females smaller than this and thus probably a natural decrease in total population.

of the regional population residing outside a 20 mile radius around each of the Buchanan growth centres.

Planning Region	Centre	Percent Regional Population outside Centre and 20-mile zone
East	Dublin	14
North-East	Dundalk-Drogheda	44
South-East	Waterford	71
South-West	Cork	48
Mid-West	Limerick	41
West	Galway	68
North-West/Donegal	Sligo	69
Midlands	Athlone	75

Although these estimates are no more than suggestive of the order of magnitude, it is clear that many local areas will be outside primary expansion zones especially given the lack of medium sized towns (3,000–10,000 persons) in Ireland. The settlement patterns, which emerged under different historical conditions and different ecological relationships between communities, have now changed. Within a regional development strategy some restructuring of spatial relationships will be required. The smaller remote rural communities will have to accept that their future can only be as integral parts of larger geographical areas where a certain threshold of population is necessary to provide some modern services at economic rates. While such outlying communities might not be able to acquire new employment, they should be given every opportunity to develop local resources (marine resources, tourist or recreation facilities, local craft enterprises, etc.). They should also have adequate basic services (e.g. in health) or specially established "service centres" where public or essential local facilities can be located together in a single complex, e.g., post office, health clinic, social welfare office, bus depot, information centre, library, or local office of the county council. This would minimise costs of servicing a scattered population. Intensive studies of rural services would help to show which of these are not so constrained by economies of scale.

A hierarchical but integrated system of rural villages, towns and large urban centres seems to afford the best opportunity of meeting the

employment and other service needs of rural populations. This "nucleation approach" has already been suggested elsewhere following a research-based analysis, as the only way to conserve a working population in the peripheral Gaeltacht regions (An Foras Forbartha, 1969). Essentially, what is implied is that a "village system" be adopted as the appropriate unit of planning at this level. One centre has a primary role in the sense that it provides services and functions for a number of "secondary" villages and their hinterland communities. The total system would consist of 8-10,000 people, a population threshold which would facilitate the provision of a reasonable standard of economic and social facilities. Some degree of commuting would be required but the range and quality of services available would be better than if individual communities were to consider themselves, or be regarded, as autonomous development units.

Somewhat similar ideas were conveyed in the late 1950s by Newman's concept of rural centrality (1958).⁶ The conditions for rural centrality (e.g. improved transportation) would seem more favourable now. However, any detailed and firm recommendation on these approaches to regional planning could only be made on the basis of regional and intra-regional studies. Such studies would establish the functions of different towns within a region for planning on this town and village system basis.

These issues of population maintenance and employment provision are obviously related to the questions of regional policy and planning. The regional dimension to rural development is discussed in the next Chapter.

⁶This proposed the grouping of villages and small towns in such a way as to link them in satellite capacity around the bigger rural towns. Rural zones—of a strong town and related hinterland—would have better prospects of social viability than those possible in individual communities.

CHAPTER EIGHT

REGIONAL DEVELOPMENT

8.1 Introduction

Policies for regional development, regional planning, the delineation of appropriate regional units, co-ordination of public services at regional level, and the establishment of regionally-based administrations are all of some concern in modern economies. Underlying this concern is the recognition that there are undesirable regional effects in the unrestrained operation of economic forces. Associated with modern economic development are major centralisation trends which concentrate economic activity, population growth, better social services, public administration and political power in a limited number of zones. Correspondingly, peripheral and predominantly rural areas lag behind in respect of the major indicators of modern socio-economic development. Persistent and even widening regional disparities have caused Governments to consider measures likely to achieve a more balanced distribution of economic activities.

Regional policies may be confined largely to the provision of better infrastructures, or to the active promotion of employment in depressed regions only. However, to an increasing extent, regionalisation and regional policy are seen as ways of bringing about national economic and social development. How policies are actually translated into specific strategies of implementation is a complex issue; it involves economic, social and political considerations.

8.2 Regional Disparities

In the second chapter of this Report attention was drawn to the demographic disparities between selected regions within the country, high-lighting the continued disadvantaged position of the North-West.

Regional differences exist in *per capita* incomes (NESC Report No. 30) and in employment provision (NESC Report No. 28). Regional variations in income are in fact more influenced by changes in the price of agricultural products (e.g., since EEC membership) than by any discernible effects of a national policy for regional development. Over the long-term there has been little significant change in regional imbalances—in population structure, employment, income or social conditions generally.

Within the EEC, national differences in gross domestic product per head are widening to the disadvantage of the lower-income, peripheral (and rural) economies of Ireland and Italy (European Regional Development Fund, 1976: Annex). The EEC regards Ireland as a single region for the purposes of its regional fund allocations. National comparisons conceal the sharpest regional differences; sub-national regions show the Community disparities more pointedly. For example, in the early 1970s gross domestic product per head in Hamburg was five times higher, and in Paris four times higher, than in the west of Ireland. By 1975, these differences had increased to six and five times respectively (First Annual Report of European Regional Development Fund 1975, page 6).

8.3 Regional Approaches

Concern for regional problems has a long history in Ireland. Early approaches to regional development began with the Congested Districts Board in 1891. The Board was dissolved in 1923. Not for another generation—during the 1950s and 1960s—was there an emphatic concern for the problems of the underdeveloped and western areas. This new concern was exemplified by the investment incentives to encourage industrialisation in certain less developed areas. Later these were extended throughout the State. In this period the Industrial Development Authority, Gaeltarra Éireann and Shannon Free Airport Development Company emerged. The Local Government (Planning and Development) Act of 1963 led to the delineation of nine regions for physical planning purposes. In the late 1960s a number of regional planning studies were undertaken. Regional Development Organisations (R.D.O.s) were established. Regional Boards were constituted for health administration and tourism. In the 1970s Government proposals included the establishment of a new Gaeltacht

Authority and also a Western Development Board but these proposals were not implemented.

The Regional Policy Committee of NESC, in its review of regional policy and development (NESC Report No. 4), drew attention to the difficulty of evaluating the measures of the past. For the most part the objectives of regional policy, as described in various Government reports and statements, have been expressed in general terms such as "checking the tendency towards unbalanced regional development". If this concept is to have any practical application, the N.E.S.C. Committee noted, it would have to be given more precise meaning.

All that can be said is that there is no developed regional strategy in the comprehensive sense. The allocation of functions to regional-level authorities has been very much an *ad hoc* evolution. Regionalism is confined by and large to an industrialisation programme based on grant subsidies for fixed capital investment. The relocation of sections of public administration has been the only other effort at decentralisation. Until very recently (see below) there was no appropriate institutional framework by which a national programme of regional development could be implemented. The report of the NESC published in early 1975 commented:

"There is no formal hierarchical structure for the co-ordination of local, regional and national development plans. What does exist is a collection of teams, committees, organisations and semi-state bodies which have responsibility for particular aspects of regional development". (N.E.S.C. Report No. 4, page 52.)

The Regional Development Organisations provide a co-ordinating forum for a range of constituent agencies (e.g. local authorities) but these R.D.O.s have no executive authority. They cannot oblige constituent organisations to undertake any particular activity.

A later NESC publication (Report No. 22) of July 1976 pointed out that there was no "clearly articulated policy of regional economic development" and went on to recommend that a Cabinet Minister should be assigned responsibility for regional policy. Since then a Department of Economic Planning and Development has been established, the Minister of which has been given responsibility for economic and social planning both in the economy as a whole and in the individual regions.

8.4 Functions of Regional Policy

Much of the debate on regional development has centred on structures and institutional arrangements, rather than on policy objectives. It is not realistic nor perhaps desirable to expect regional policy to aim for anything like the complete elimination of regional imbalances in *per capita* incomes. *Per capita* income is only one of a possible range of economic and social indicators of a population's well being. We know very little about people's own concepts of their various life preferences—once basic human needs are satisfied.¹ Although, historically, economic growth has been closely associated with the centripetal forces of urbanisation and economic concentration, this relationship need not continue inevitably for the future—at least in such a total way as in the past. In the most advanced economies rural population levels for certain types of area are now remaining stable mainly as a result of evolutionary, unplanned changes.² Of course, the deliberate intervention measures of public policy can also slow down and reverse rural depopulation. Our national programmes of economic expansion have laid strong emphasis on maintenance of the rural population and census data show a measure of success for this policy in recent years.

According to Barrington (1976) the functions of regional policy should be (i) to prevent economic and social decay in disadvantaged areas; (ii) to remove the grosser forms of geographical deprivation—whether they be those of urban congestion or rural denudation; (iii) to develop available resources, and (iv) to improve the texture of living by preserving cultural variations.

8.5 Rural Development through Regional Policy

Accepting these functions as the basis of regional policy, our basic perspective is that the regions and regional development constitute the most appropriate framework for both national economic growth and rural development. That is to say, *rather than emphasising rural and urban distinctions and treating their major sectors independently, the*

¹Hannan (1970) found that dissatisfaction with social provisions in the local community did not appear to greatly influence migration once people were satisfied with jobs and incomes.

²Evidence from the U.S. and some countries in Western Europe suggests that, independently of any policy measures, there is a recent shift of population away from metropolitan areas to smaller centres or to the less isolated rural areas.

emphasis in policy should be on multi-county units within which comprehensive planning and co-ordination of development activity would aim at the growth of regional population levels and the maintenance of an adequate set of facilities and services.

A planned programme of regional development providing multi-county units with a mix of industrial and service employment as well as with health and educational facilities is envisaged here. Off-farm employment is not merely an alternative but a complement to agricultural development. Adjustments in agriculture may be facilitated or hindered by the nature and pace of non-farm developments. Planning for rural industrialisation would have to take account of likely labour flows from farming and the implications of these for agricultural development. A number of urban centres and provincial towns would serve as the basis for demographic, economic and social viability in rural areas. For some rural districts population maintenance would not be possible but these would have to be considered in planning as integral parts of wider geographical areas (see Chapter Seven).

On this strategy the equalisation of regional *per capita* incomes would be less important than achieving a sufficient size and structure of population to maintain basic institutions for modern life (e.g., in education or health). Planning and development in higher education at national level, for example, should have regard to the role which provincial location might play in regional development.

8.6 Regional Structures

As the NESC has already examined aspects of regionalisation and regional development in several of its earlier reports, the remarks here are confined to some general issues put in the context of the theme of the present report.

8.6.1 The National Context

In the absence (until recently) of any clear designation of Ministerial responsibility for regional policy there was no special provision for planning at regional level. The Regional Development Organisations have sought to promote a regional dimension to the activities of local authorities (e.g., by the initiation of regional studies) but they have been

constrained by their lack of statutory powers. One of the consequences of the absence of formal arrangements for planning at regional level is the paucity of data on resource potentials, development possibilities, manpower movements, the impacts of growth points, and the general spatial pattern of economic and social activities (e.g., of journeys to work). Another is the lack of standardisation in the regions now used by various administrations.

Any reference to changing institutional structures in administration is potentially contentious. To the various agencies likely to be concerned it raises questions of losses and gains in power. Local authorities do not wish to see their powers attenuated further yet there is recognition at that level of the need for stronger regional development agencies (see papers at Irish Branch of the Regional Studies Association Conference, Galway 1976). In any event, counties have had to face the prospects of surrendering functions to higher levels than that of the multi-county region.³

It appears to us that there are a number of essential functions to regional development and that these functions require the establishment of a regional level organisation with some degree of executive authority. The functions we have in mind here include the preparation of development plans for the various sectors in the region, the co-ordination of central planning at regional level (e.g., industrialisation, manpower training, and housing development), assisting the local and other public authorities in physical planning, in the assessment of infrastructural needs and in land-use studies, and supporting the development efforts of independent organisations, especially those at community level.

In regard to local development, experiences to date in the Shannon Free Airport Development Company and in Gaeltarra Éireann suggest that development authorities at regional level can play an important role. The Shannon Company, for example, has been associated with various tourist projects (e.g., rent-a-cottage schemes) and with co-operative housing ventures, while Gaeltarra Éireann has supported in various ways the development of the smaller multi-purpose co-operatives in the west.

³As in the case of the transfer of county agricultural advisory services to the proposed National Agricultural Authority.

The organisational form which a new regional development agency might take would have to be a matter for study. At the minimum it should be able to employ expert staff for the execution of the functions envisaged and it should have some power to influence the amount or pattern of public expenditure in relation to the objectives of its plans. The granting of statutory powers to the existing Regional Development Organisations would meet these requirements but a more effective measure would be the establishment of special Regional Development Boards. In the longer term it is possible to see such Boards evolving towards Regional Authorities which would assume responsibility for all major functions in the regions and thus provide a greater decentralisation of public administration.

8.6.2 *The EEC Context*

Apart from meeting rural development needs in a national context the issue of regional structures has to be seen also against the background of EEC membership. A greater degree of regional autonomy seems desirable in view of the fact that as a nation-state in the EEC, Ireland will surrender greater increments of national sovereignty—and this from a system of public administration that is already very centralised. Other European countries are responding to the need of modern electorates for the opportunity of a greater degree of local participation in public affairs. Whether the evolution of regional structures in Ireland should result in the emergence of elected assemblies at regional level is an issue that cannot be taken up here but the experiences of other countries are at least worthy of study.

The multi-county unit would also be an appropriate geographical scale to judge the adequacy of various sectoral policies emanating from Brussels. The European Commission (Community Regional Policy: New Guidelines, 1977) has recently submitted that it is indispensable from now on that the spatial dimension be assessed and taken into account in the formulation and implementation of the major Community policies. It also proposed a more comprehensive system of analysis for monitoring regional developments. Ideally, this should apply in Ireland not alone as one region of itself within the Community but also on a sub-national basis. Thus, for example, each regional organisation of the type proposed here could monitor EEC policy at the multi-county level while the whole national territory could continue to be treated as one

region for the purposes of sharing in the EEC Regional Fund.⁴ A multi-county region would be a suitable geographical scale to investigate complementarities and contradictions between the common agricultural, regional and social policies of the Community. In this way the kinds of problems discussed in this report could be tackled by more comprehensive, better integrated measures. Currently, Community policies do not offer a package of measures responsive to the variety of rural development problems enumerated in this report.

We have tried to show that special problems arise in agricultural and rural regions, not because such areas are "outside" the scope of modern economic development but mainly because of the way they are adversely affected and transformed by it. While rural populations and especially farmers cannot evade the responsibility of developing their own resources, many of their current difficulties have their origins at a more macro-level. Solutions must also be sought at this level. However, while the European Commission recognises the need for a more ambitious regional policy, analysis of regional and sectoral trends in Europe raises the question of whether the affluent powers or dominant interest-groups in the EEC are committed to any real change in favour of a better distribution of economic and social opportunity, as part of the process of European integration. Segments of rural society (as well as most congested urban centres) are bearing the brunt of the socio-economic changes of recent decades. They have a special claim for new policies from both national and supra-national planners.

8.7 Conclusion

Although this report is concerned with rural problems we feel that too rigid a distinction between the rural and the urban can be a misleading basis for tackling these. The predominance of the rural sector (outside Dublin) suggests that its development is essentially a matter of regional policy. The achievement of agricultural growth depends on the availability of employment outside farming which will allow agriculture to make the necessary structural adjustment which its

⁴At present it is to Ireland's advantage to be treated as one region in the sense that any breakdown into sub-national regions could result in the exclusion of the East as an eligible area and a consequent reduction in the national share of the Fund. This, however, is to accept present EEC policy as given, and a full analysis of EEC membership might show this tactic to have short-term financial advantages only. The basic objective should be to have a clear national policy of regional development and then seek to influence EEC policies.

development requires. All rural communities cannot hope to maintain the populations necessary to support modern institutions and services. For many of the smaller and more isolated areas further demographic and social decline is inevitable. But the impact of this could be lessened in a framework of regional development which would seek to maintain population, economy, and social infrastructure on a multi-county basis. To achieve this objective there is need for a more definite regional policy, incorporating a greater degree of executive authority for regional organisations.

CHAPTER NINE

LOCALITY AND COMMUNITY DEVELOPMENT

9.1 Introduction

Local populations tend to depend on public authorities for the solution of their local problems, often to the exclusion of any sustained attempts on their own part to provide for their needs by voluntary effort. The philosophy of community development, on the other hand, stresses the value of self-help and local initiative. However, we feel that many of the contemporary problems of rural areas (e.g., under-employment, demographic decline), no matter how pressing they may be at local level, have their origins to a considerable extent outside local communities. Correspondingly, solutions must also emanate from outside the local level; highly localised initiatives can hardly be expected to solve problems that are major issues in society. These are more appropriately the responsibility of central planning and national policy.

While stating this, we also recognise that voluntary or independent organisations have contributed immensely to economic and social improvement in rural areas. Such organisations perform important functions. They articulate community needs, facilitate the statutory authorities in serving the community, and give citizens an opportunity to influence statutory decisions. Perhaps most importantly, local voluntary groups have a pioneering or creative role; they can embark on ventures of a novel kind and establish working arrangements (e.g. a co-operative) that best suit the problem at hand, and the local conditions. In the public sector, there is a certain time-lag in responding to emerging social and economic needs because of the necessary constraints imposed by regulations, directives, budget accountability and established systems of administration and political control.¹

¹Many examples exist of legislation which incorporates into the regular functions of the public authorities the services or other ventures initiated by voluntary groups.

Thus, however effective public authorities may be in catering to the needs of rural populations, it is desirable that people themselves establish ways of coping with their problems at community level. Indeed, in recent years there has been a vigorous growth of community or locally-based groups—such as community councils, social service councils, local development associations, and credit unions.

The support of such groups by public authorities is therefore an essential element of rural development policy. Voluntary Social Service Councils are supported by Health Boards, for example, and are therefore explicitly recognised as having a function in the network of public services being made available to the community. Yet there is not a well-established collaborative framework whereby statutory and voluntary efforts can be combined to achieve better results. In fact, many local groups exist in a somewhat uneasy partnership with the statutory authorities. This arises from a number of circumstances, relating both to the statutory system and the voluntary groups themselves.

9.2 The Statutory System

The system of Irish public administration has evolved in a manner which has given a rather haphazard division of responsibilities as between *local* authorities on the one hand, and *central* or other public services on the other (Local Government Re-Organisation, 1971). Coupled with this is the departmentalisation of services and facilities into agencies each of which must, of course, operate within the ambit of its own territorial or functional responsibilities. Local government functions, for example, are based on divisions between towns and contiguous rural areas. The result is that anomalies in servicing may exist at local level. The system is basically one which delivers services—often downwards from centralised agencies—to local communities not necessarily in response to problems of concern locally, or in a way which maximises inter-agency co-operation. There is thus available to any sub-county area a variety of public services and related officials but the total effect may not represent a concerted approach to local development. In the Gaeltacht, for example, it was noted that there were up to twenty-four public agencies with some development function (Gaeltarra/SFADCO Working Group, 1971, p. 89).

County Development Teams (CDTs) exist in western counties² to co-ordinate various statutory services at County level. They include representatives of local authorities and some central agencies under the chairmanship of the County Manager. Their activities are overseen by a Central Development Committee (CDC) in the Department of Finance. CDTs work in co-operation with local development groups and industrial interests, providing them with a ready access to local and central information and expertise. Each CDT employs a full-time officer, who plays a strong role in linking local development possibilities to the IDA's small industries programme. CDTs have no executive power but they can provide small "discretionary grants" to local community development projects. However, the CDTs do have a measure of flexibility in responding to changing needs. Even so, their co-ordination function extends over a limited range of activity. In the distribution of responsibilities between local and central administrations, the lines of communication upwards have no consistent rationale. CDTs relate to the Department of Finance while the Regional Development Organisations (RDOs) (See Section 8.3) operate under the Department of Local Government (now the Department of the Environment). As far as the CDT's role in rural development is concerned it is likely that their increased involvement in industrial promotion has limited their supporting role to the development efforts of voluntary (independent or non-statutory) organisations.

Because policies and the agencies executing them are based on a sectoral division of functions (e.g., agriculture, tourism) or on serving certain categories of persons (e.g., farmers or the aged), few administrations see a community or local area as a target towards which their programmes might be aimed. Legally, local authorities do have substantial permissive powers (in the Local Government Act of 1941) to assist local groups in community and local amenity development. Yet little use has been made of this power although some local authorities have schemes of financial aid to community associations. However, most authorities do not have an effective liaison system (e.g., a community relations officer) for dealing specifically with community groups.

²Other counties have CDTs but these non-western teams are not co-ordinated by any Government Department.

The ambivalence towards independent non-statutory groups is revealed in the differences between the White Paper of the Minister for Local Government in 1971 and the statement of another Minister for Local Government in 1974. The White Paper favoured the idea of giving greater support and recognition to local representative community groups while the Ministerial statement of 1974 rejected this.

The whole problem is reflected in the experience of the North-West Clare Development Organisation, representing eight rural parishes. Commenting on its performance after some 18 months in existence, Nolan (1975) notes:

"... it cannot be said to be functioning. The problem is that there is no obligation on local authorities within the framework of the various Acts to communicate or co-operate with voluntary groups. Due to the absence of any such obligation the efforts and vitality of the community are dissipated in time consuming efforts to extract information and win influence." (p. 91).

In our view, there is no definite and clearly stated policy or administrative framework whereby voluntary and statutory effort can be combined in the best interests of rural development. Nationally, there is no community or locality development programme. There are however, certain community-level activities sponsored by national or semi-state bodies, e.g., tidy towns promotion (by Bord Fáilte), the establishment of social service councils and community information centres (by the National Social Service Council), and awards for community development (by Gaeltarra Éireann).

As for local authorities, their relationships with voluntary or independent organisations are often influenced by the extent to which elected representatives (such as County Councillors) feel concerned for their own status and role as "brokers" between community interests and the authority administrators. Officials must give their primary deference to the elected representatives rather than to local organisations which may not be representative of a wide community. Active community associations may, nevertheless, be seen by the publicly elected representatives as constituting a threat to their relationship with local people.

9.3 Problems of Voluntary (Independent) Groups³

Community development, though essentially a philosophy of self-help, assumes the availability of resources from outside the community as a support to locally-based initiatives. Effectively, however, the functional terms of reference of the statutory authorities omit recognition of community organisations. There are exceptions, as in the case of Health Boards which actively work in collaboration with local social service councils. Even where the scope of the County Development Team's work has been extending into areas of community development, there has been little attempt to enlist the support of local voluntary groups in a structured way. A problem, of course, is that a local community may identify resources or development opportunities which are so localised or small in scale that their possible exploitation may not be explicitly included in any of the plans of local or central Government. There may also be need for specialist advice but the more novel the development the less chance there will be of routine channels of access to such advice. This may apply both to the need for technical information or advice on organisation.⁴

In the case of the North-West Clare Development Organisation, for instance, considerable effort was invested in identifying the exact responsibilities of different statutory agencies in dealing with local problems. Even when apportionment of such responsibilities is clarified, co-operation is by no means certain. Any response by the public agencies to community initiatives is very much left to the discretion of individual officials. Where support is not forthcoming development organisations become disenchanted, defeatist in outlook, and also run the risk of losing credibility with their local community whose expectations of tangible results may have been unduly raised. In consequence, much community development effort falls back into activities involving minimal relationships with outside authorities—such as social service activity, or recreational-entertainment and

³This section draws heavily on an analysis of development organisation and problems in Clare by Katsiaouni (1975, Chs. 10 and 11) and on studies in progress on rural community development by Commins and Katsiaouni.

⁴A relevant example known to the main author of this report is a project in mariculture development by a small coastal community. Scientific, technical, organisational and commercial information was required by the local community group but the means to this were not always identifiable.

sporting events. While these are important for "community spirit" and identity, they pose little challenge to the public authorities and their policies, and are unlikely to bring about any significant economic-type development. At worst, the frustrations of groups move them to adopt clamorous and pressure tactics which give rise to further uneasiness in their relationships with statutory bodies.

Moreover, sustained local development of any substance depends on the availability of committed and capable local leadership. Yet in many rural communities the reservoir from which local leaders might emerge is depleted by selective migration. This in itself may not preclude the emergence of community-based organisations but, given all the difficulties, their activities are unlikely to be energetic and they will not have any impact on the more substantial local problems. Even if this is not the case, a major venture in local development, involving considerable organisation and management, cannot rely indefinitely on the efforts and time of local voluntary leaders.

Because of these various reasons local community action in rural areas is haphazard, diverse in character and varied in its outcome. Substantial achievements are sporadic and continuity of effort is difficult to maintain. Economic and local resource developments are very much secondary to other activities of local groups.

We feel that locality and community development is worthy of more attention in national policy. The possibilities for improving the current situation lie along the following lines: (i) formally establishing a special programme, (ii) making changes in the regional or local authority structure, and (iii) providing special staffing and training arrangements.

9.4 A Local Enterprise and Action Programme

There is, in our view, clear need for a more formal recognition of locality and community development as an integral aspect of county or regional development. *We would recommend the establishment of a special Local Enterprise and Action Programme.* This might be operated under the aegis of the Department of Economic Planning and Development—which has now assumed responsibility for regional policy. Alternatively, an elaboration of the Central Development Committee structure, at present co-ordinating the work of the County Development Teams, could oversee a programme of this kind. The CDC in this case would include both public servants and persons nominated

from independent organisations engaged in community development. Ideally, this expanded CDC should be located with the Minister in charge of regional policy. A third option would be available if there were to be special organisations with some degree of statutory responsibility for regional development (Chapter Eight). The encouragement of community development and the support of the activities of local development associations could become a key function of these regional development bodies.

The objective of a local enterprise and action scheme would be the promotion of developmental projects (e.g. through co-operatives) based on local initiative and the exploitation of local resources. The emphasis would be on supporting community-based efforts rather than providing incentives to individual entrepreneurs. The provision of training and advisory services to local groups would be important, though extra finance and other back-up services could be made available to organisations already engaged in these activities (e.g. national voluntary organisations or adult education agencies). Some types of local projects (such as group water schemes) are by now rather routine projects, requiring little by way of new organisation or planning procedures. Others of a more innovative kind will need special assistance in local resource assessment, evaluation of development potential, group organisation and project management. These novel ventures cannot readily command the disparate services of established agencies either because such agencies have no clear mandate to support community group activity, or have no precedent for doing so.

While institutional arrangements of the kind discussed above could form one general type of administrative framework for a programme of community development, it is possible to go further and suggest that such development could also be fostered by effecting more basic changes in the system of local administration.

9.5 Changes in Local Authority Structures

Change in local government systems is a complex issue and we cannot take it up here except in so far as it impinges on the question of community development. In any case, local government organisation has been well discussed by the Devlin Report, the Government's White Paper (1971), and the Chubb Report (1971). Consideration of local authority change in the context of the better promotion of local

economic and social development, inevitably raises two related themes: the opportunities for greater citizen participation in public planning and the appropriate administrative level for the operation of various public services. We shall consider these in turn.

9.5.1 Local Community Councils

The White Paper of 1971 proposed *inter alia* to encourage the formation of local community councils.

A broadly-based non-sectional community council could play a vital role in the life of a community—identifying interests, needs and aspirations, acting as an agent for positive and fruitful community action, harnessing resources in the community for its own development, acting as a centre for information and advice and generally supplementing and complementing the work of the statutory local authorities (p. 46).

The Government of the time expressed its readiness to consider whatever changes were necessary in existing statutory provisions so as to enable approved local councils to be officially recognised and to operate actively in collaboration with local authorities. These statutory provisions were, principally, the Local Government Act of 1941 which made it permissible but not mandatory for local authorities to assist local groups.

The same legislative framework as that guiding the White Paper's proposal thus offers one basis by which a change in local administration could be made to aid community development. All that is required is to make it obligatory (rather than optional as at present) for local authorities to grant recognition to *approved*, representative community organisations.⁶ Such organisations could then receive loans or grants from the local authority, and have delegated to them where appropriate, sufficient powers to provide minor services or amenities locally. An arrangement of this kind would have the advantages of flexibility without burdening local councils with the controls and reporting responsibilities required of the local authorities themselves. It would also ensure continuity in community structures. Groupings in

⁶The obligations to form approved councils and apply for recognition would rest with the community.

rural community councils could form area development organisations and seek the services of special development personnel. Local taxation could be used to collect moneys to provide funds for community development.

9.5.2 Multi-Tier Local Administration

The framework envisaged in the White Paper allowed for only one tier of local administration, viz., the county. The Chubb Report while agreeing with the general aims of the White Paper for reform, made cogent arguments for three levels of administration: the region, the county and the district. Essentially, the district would be based on a network of communities most likely centred on a town and its hinterland; it would have a council elected by ordinary local government process plus some members (a minority) nominated or elected by community councils in its area. The prospect of a representation on the district council would be the incentive for communities to form community councils.

Such a system, it was argued, would greatly expand opportunities of citizen participation in public affairs. As the district councils were envisaged to have a vigorous community development function, they would provide a means of linking voluntary bodies with local government. The district level would also meet the need to bring services of a personal and local character nearer to people. Different functions have different technological, personnel and other needs, and a hierarchy of areas was considered to offer the best solution of coping with this variation.⁸ Besides offering these arguments of principle the Chubb Report noted that in actual fact a large number of services were already organised on this three-tiered basis and rather than making public administration more complex, a formal re-organisation along the lines advocated (and indeed used in practice) would bring order into the haphazard system that has emerged.

The implementation of the 1971 White Paper's proposals for local government re-organisation would go a long way to meet the needs of rural community development. However, when additional considerations are taken into account (the desirability of administrative decentralisation, of facilitating access by people to public agencies, of simplifying the existing tangle of public administration) there is a

⁸The functions appropriate to the district are discussed in Section 4.2.14 of the Chubb Report.

convincing case for the Chubb alternative. *We would recommend its adoption. The Chubb proposals would also conform to our basic perspective on the problems of rural development, i.e., that they are basically issues for regional and sub-regional planning* (See Chapters Seven and Eight).

Broadly speaking, therefore, we have pointed to two general types of institutional arrangements by which a national programme of self-reliant development could be established: (i) within the framework of administration for regional policy, and (ii) within a revised local authority structure. If this latter course were adopted, responsibility for the programme would be with the Department of the Environment (formerly the Department of Local Government). While this would make for administrative tidiness we do not see it as essential. At present, local authorities report to different Departments for different functions and it might be appropriate to have regional and local level development within the same Department.

9.6 Local Development: Staffing

Without the personnel with organising ability and other community development skills, there is little that the re-organisation of local administration can do to generate local enterprise. Voluntary effort is laudable but local development needs more professional support and expertise. *We suggest, therefore, that local authorities provide funds (through a small local taxation levy if necessary) to enable local development organisations to employ professionals in community development.* Ideally, these organisations might serve a natural geographical area at sub-county level. Many local development associations (e.g., North-West Clare Development Organisation, North-Leitrim Development Federation) already function at this level. Alternatively, the community organisation might be a grouping of community councils—at the district level referred to in the previous Section. If district level administration were to be adopted then these district councils could themselves employ a local development officer.

Social development officers or some such personnel have been part of the staff on new town developments in Britain for over 30 years. Dublin Corporation has in recent years introduced a somewhat similar role into its own staff. These are servants of the local authority and their activities are closely related to the grant-allocation functions of

the Corporation in relation to community projects. They also provide a liaison/informational service to community groups. The Chubb Report suggested that, in the district council envisaged, functions relating to community development should be assigned to an appropriate member of the district council staff.

While this arrangement—the employment of special staff by local authorities—is one option, *it would seem desirable also for statutory bodies (either local or regional) to support financially the efforts of independent associations to acquire a professional local development worker.* This would free such a person from the more bureaucratic constraints of public administration. It would allow the worker the flexibility to engage in the variety of activities that could possibly be encompassed by community organisation and development. In other words, such a person, while being the local level equivalent of a county development officer, would be functioning in a manner primarily responsive to the interests, needs and efforts of independent community-level organisations. In this way, independent organisations would have increased opportunities of playing a creative role in development (See Section 9.1). This arrangement should not be seen as conflicting with the work of the county development teams. It is a partnership of voluntary and statutory effort and a necessary supplementation of the existing expertise devoted to local development.

What we want to emphasise is that only communities fortunate enough to have local leadership with the commitment and perseverance can sustain a development effort without specialist organising assistance. A local enterprise and action programme in the context of changes in local administration could ensure this leadership and assistance. However, the potential of the stronger rural co-operatives cannot be dismissed here. Perhaps the larger and longer established co-ops which are now "reaching out" into links with marketing and food companies could also link backwards into supporting local development in the areas in which they laid the foundations of their strength.

9.7 Training for Community Development

It is well-established practice within our system of public administration to employ more social workers or welfare officers to deal

with problem or pathological conditions. This is necessary to cope with the adjustments and problems that arise from economic and social change. Paradoxically, there is no organised system of training professionals for the more "positive" activity of fostering community development, though there is, for example, a comprehensive training and administrative framework for advisers on farm development.

Of course, there is not, as yet, a clear model for the role of a professional development worker in rural areas. There is a good opportunity here for the Regional Technical Colleges to involve themselves in the problems of their regions.⁷ They might, for example, make case studies of local and community development with a view to relating these to the principles and practices of local development as shown elsewhere. In this way they could build up information for the training of a corps of rural community development workers, both voluntary leaders and full-time workers. The prospects of employment for interested persons would be enhanced if the proposals made in this Chapter were to be adopted.

9.8 Conclusion

Our main recommendation here is for the diverse activities of local and community enterprise to be given a more formal basis of support through the establishment of a national programme of community development. This might constitute an integral component of regional planning and development, or be instituted through a revised local authority structure. The objective would be to have statutory authorities and local independent organisations working in closer collaboration to identify and promote development projects based on local initiative and resources. We have described many deficiencies in the present relationships between statutory and voluntary bodies in regard to community or local development. Changes in the local authority structure giving limited responsibilities to local district councils would provide a better basis for local development than the existing arrangements.

Arrangements for the training and greater use of professional workers in local development would also have to be made.

⁷In fact some of the RTCs have been taking some action on this recently

CHAPTER TEN

SOCIAL SERVICES

10.1 Introduction

Since social services, by and large, are designed to serve the population in general rather than rural dwellers specifically we concentrate here on issues which have most direct relevance for the rural population. The first is that several major deficiencies exist in services available to rural areas, some of the inadequacies being inherent in the nature of the rural settlement pattern. Water supplies, transport, health provision and school facilities, for example, are generally of a lower standard than those that can be provided in the more densely populated urban areas. Secondly, the piecemeal development of social policy and the segmentation of social administration have given rise to differences between agencies in their procedures for assessing needs, and consequently to anomalies in the provision of social services and benefits.

10.2 Health Services

Some of the problems relating to delivery of health services in Ireland apply to the State as a whole but they may be accentuated further by geographic location. The extent to which the rural population is at a disadvantage in terms of access to health services has already been noted in NESC Report No. 19. Likewise, NESC Report No. 29 indicates that geographic distribution of health care facilities in Ireland, as in so many other countries, "exhibits a considerable degree of unevenness".

10.2.1 Inadequacies

Two services acknowledged to be inadequate on the national scale are the public dental service and the school health examination service.

The National Health Council (Report, 1976) in a special report on the public dental service considered it to be most unsatisfactory. The Council noted that *"only one third of the 600,000 eligible children estimated to need attention were examined each year under the scheme. Adults receiving treatment under the scheme number about 50,000 a year out of an estimated 570,000 eligible adults not catered for by other schemes"*. (page 18). The lack of general anaesthetic facilities for dentists, particularly in rural areas, was identified as one of the major deficiencies.

Many of the problems in the dental service are due primarily to shortage of professional staff and inadequate funds. In the Western Health Board's *Plan for the Development of Dental Services 1975-85*, the extent of the problem within one of the most rural regions is pinpointed. The plan notes that in December 1976 there were 14,699 persons in the Health Board area (Counties Galway, Mayo and Roscommon) on the waiting lists for general dental treatment, some cases being listed over three years.

The aim of the school health examination service was that the doctor should visit all schools with 50 or more pupils each year (and smaller schools once every two years) and give all school entrants a comprehensive medical examination when they were approximately one year at school. In 1975, 91.8% of the estimated number of new entrants (outside Dublin) were examined but the proportion was as low as 60.9% in the South Eastern Health Board area (Statistical Information Relevant to the Health Services, 1977, Department of Health). The Western Health Board's Plan for Dental Services reveals the unsatisfactory progress in the rural counties of the west. The plan states:

"The position about schools is that in Galway they are visited approximately once a year, in Mayo every 3 years and in Roscommon the staffing position has been such that schools have never been visited on any regular basis in the past." (page 2).

Once again the major factor inhibiting the development of the school health services would appear to be a lack of the necessary medical staff. Nevertheless, the irony is that the State's universities train annually about the amount of graduates required nationally in

medicine. Such an aggregate picture conceals the deprivation of the more rural areas and the imbalances of the distribution of facilities.

In summary, therefore, it may be said that while there are deficiencies in health services at national level, the inadequacies apply in particular to rural areas, thus accentuating the disadvantage among certain sections of the rural population.

10.2.2 *The Problem of Access*

In this context, the NESC in its comments on Report No. 29 stated:

"The main concern in considering the problem of geographical inequity must be that no one is denied the health care which he or she needs simply because of their place of residence." (Page 18.)

This is undoubtedly a laudable objective. However, it does not take sufficient cognisance of the realities of health servicing in a scattered rural population. The rapid rise in service costs and facilities makes a certain amount of centralisation inevitable. Modern health care simply cannot be made equally accessible to all localities. In relation to access to hospital services, for example, reports of recent years testify to this. The Fitzgerald Report of 1968 envisaged that the maximum distance from a general hospital (with comprehensive facilities) should be 60 miles. The General Hospital Development Plan of 1975 (issued by the Department of Health) suggested a much lower limit—30 miles—and consequently a more delimited catchment area for a modern hospital. Nevertheless, both reports conceded that about 25,000 persons living in the peninsular areas of the west coast would still be outside these limits. Again, an example from County Clare will illustrate the problem. The population of the Carrigaholt peninsula (4,800 persons) would be over 60 miles from the general hospital at Limerick (as proposed in the Fitzgerald report) and over 30 miles from the general hospital at Ennis.

For such cases, however, relative ease of access to the less specialised community health centres and district nursing homes was envisaged. The distance factor, according to the Fitzgerald report, can be greatly minimised by an efficient and well-equipped ambulance service. The report, nevertheless, pointed out (page 38) that travel "is part of the price that must be paid for higher standards of hospital treatment".

Access to general practitioner services also poses problems. In

1976, 40.2% of medical card holders and their dependants in the Western Health Board area lived more than 5 miles from their doctor as compared with 4.8% in the Eastern Health Board area (Report of the General Medical Services Board, 1976). The difficulty of attracting professionally qualified personnel, including general practitioners, to remote rural areas is widely recognised. The report of the Consultative Council on General Medical Practice (1973) discussed this problem and noted that the task of getting sufficient doctors to work in "remote and unattractive areas" will always be difficult, that a particular drawback is the difficulty in getting a locum, that opportunities to attend post-graduate courses are limited and that very few doctors living in such areas can hope to achieve the level of income which they would enjoy in less remote areas. The report also concluded that:

"While we are strongly of the opinion that nothing should be done to hasten the departure of doctors from rural areas, we must accept that it is inevitable in many instances and we must plan for it." (Page 41.)

The main recommendations of the report in this context was the establishment of group practices in towns which would service rural areas and which could provide "a more comprehensive service than the rural practitioner working on his own and lacking locum and other supports". The Council, after careful consideration, rejected a suggestion from the Irish Medical Students' Association that, in return for financial assistance, medical undergraduates give an undertaking to spend a number of years in a rural area following graduation.

10.2.3 Recommendations for Improved Health Servicing

We must accept that, in all likelihood, certain sections of the rural population will remain at a disadvantage in terms of access to general practitioner, clinic or hospital. The objective, then, should be to minimise this disadvantage to the greatest extent possible. A number of possible improvements are suggested.

- (i) Obvious and substantial gaps in the provision of certain services should be of immediate concern. For instance, there are no developmental paediatric clinics in Roscommon or

Leitrim, even though this service is well developed in other regions. In those two counties there is a sufficient population base to warrant the establishment of such clinics.

- (ii) The health needs of populations in remoter rural areas are magnified by the incidence of households with aged and incapacitated persons. The absence of family help in cases of illness is accentuated by geographical isolation of farming communities. More public health nurses, social workers and "home helps" are required in rural areas to compensate for gaps in primary medical care. The public health nurse/population ratios recommended in the report of the working group on Survey of Workload of Public Health Nurses (1975)¹ should be adopted. Additionally, employment of auxiliaries in dental services should be adopted.
- (iii) The provision of adequate back-up services such as transport facilities, an efficient ambulance service (with ambulance outposts where justified which would minimise the distance factor), helicopter services in emergency cases and a better telephone service would also considerably offset the disadvantages of geographical location.

10.3 Education

10.3.1 First Level Education

In a previous report on educational expenditure in Ireland, the NESC (Report No. 12) had recommended increased expenditure on the compulsory schooling age-group in the belief that this would do most to promote equality of educational opportunity. Recent figures (Dáil Debates, 29 March 1977) indicate that in 1976 the cost to the State per student in third-level institutions was over five times that per

¹The Report recommended that the number of nurses be increased from the present number of approximately 800 to 1,152 giving a national nurse-population ratio of 1:2,616. The lowest ratios were recommended for some western counties (e.g. Leitrim 1:2,233, Donegal 1:2,315) where, because of the scattered nature of settlement, travel may account for a relatively high proportion of the public health nurse's time. Since the publication of the report the number of nurses has been increased considerably (Dáil Debates, Vol. 305, No. 2, 1978, 229-232).

primary level pupil.² The amounts concerned excluding capital expenditure at various levels were as follows:

	£
Primary	179.21
Secondary	324.97
Vocational	465.60
Third-level	917.98

This comparatively low expenditure per pupil at primary level is exemplified by two major problems, i.e., high pupil-teacher ratio and low-standard school buildings/facilities. However, relatively high pupil-teacher ratios are more a characteristic of urban than of rural schools. Rural schools, on the other hand, are more likely to have inadequate amenities. NESC Report No. 12 indicated that in the nine-year period from 1965/66 to 1973/74 over a quarter (27.6%) of all places provided for primary schools were in temporary buildings, whose life expectancy is not much longer than ten years. These temporary classrooms are a feature of areas with expanding population and often contain class sizes of over 40 pupils. In rural areas, by contrast, permanent classrooms are almost universal, but the problem is that many small rural schools frequently lack certain basic facilities, such as electricity and drinking-water. These conditions may be partly attributable to the policy of rationalisation of small rural schools under which buildings designated for closure or amalgamation within five years were denied sufficient grants for these purposes. A survey carried out by the Western Health Board in 1977 indicated that 55 out of 140 primary schools in counties Galway, Mayo and Roscommon had defects. Some of these schools, according to the report, were so seriously lacking in basic amenities and so structurally dilapidated as to be unfit for use. In February 1977 the policy of rationalisation was reversed and small rural schools were authorised in July 1977 to carry out necessary improvements in school facilities.

Increased financial assistance may not of itself guarantee that the needed improvements will be carried out, particularly since grants may have to be supplemented by local contributions raised by school

²Comparative figures for 1973/74 were: Primary, £94; Secondary, £176; Vocational, £230 and Third-level, £736.

management boards. *It is recommended that the situation in regard to the improvement of basic facilities in rural primary schools be monitored to ensure that management boards are fulfilling their function in this area.*

10.3.2 Second and Third Level

The present spatial distribution of second level schools is largely the outcome of the choices made by the private sector (religious orders mainly) in providing education. The regional imbalances and, more specifically, the urban/rural imbalances which occurred as a result have, to some extent, been counter-balanced by two major developments in the past decade or so. The first of these was the establishment of State-financed Comprehensive Schools in some areas which hitherto had inadequate or no post-primary facilities. The second, and of more importance perhaps, was the introduction of a free transport system for pupils living more than five miles from a second-level centre. While the transport scheme has meant greater accessibility for pupils living in rural areas there remains the need to monitor changing population levels with a view to assessing the need for the establishment of further Comprehensive schools.

There is still a degree of inconsistency between the curriculum of second-level schools (and of the secondary branch in particular where the overwhelming emphasis is on academic subjects), the university entrance system and the needs of the national economy. Several studies (e.g., Hannan, 1970) have indicated that the majority of school-leavers aspire to professional and non-manual jobs and the present academic bias³ in second-level schools is seen as reinforcing these aspirations despite a greater possibility of employment in the manual or industrial sector. In many rural areas and especially in the relatively remote areas the problem is compounded by the absence of industrial employment in the past and by the traditional emphasis on academic education as a passport to lower-professional and non-manual occupations outside of these areas.

To suggest that a change in the curriculum would alter this situation is too simplistic. Such a move would be likely to meet with opposition from parents and school authorities. Here a conflict arises between

³The 3:1 pupil ratio in second-level favours the academic type subjects, and the ratio has changed little with the expansion of post-primary education in recent years.

individual aspirations and the needs of the economy, a conflict not amenable to any readily available or accepted solution. Any attempt to change the situation must take account of university entrance requirements and university fees. Adjustment of fees and entrance requirements at third level could be used to influence the intake of certain types of undergraduate students. If any solution is to be made in the present situation the remedy must come in the first instance from the third-level sector. This in turn is likely to be reflected in changes at second level.

An estimate of participation in the university sector is available by relating the numbers of full-time students in universities in 1975/76 by county of residence to the numbers in the child age cohorts in 1961. No clear pattern emerges except that proximity to a university centre appears to greatly increase the possibility of attendance at university (Appendix Table A.15). Over half (56%) of full-time university students in 1975/76 were from Dublin, Galway or Cork in which universities are located (Accounts and Student Statistics 1975/76, Higher Education Authority). By contrast, participation from the Ulster counties and some Midland counties was low. Access to higher education is related to a number of factors⁴ including access to suitable second-level education and parental income.

The introduction of higher education grants in 1968/69 has helped to minimise the financial burden of participation. The grants encompass lecture fee and maintenance elements, the latter being related to distance from a university centre. The maximum maintenance grants at present are £200 for students living within commuting distance of a university and £500 for other students. Approximately half of university students in 1975/76 were residing at home. There is some evidence to suggest, therefore, that proximity to a university enhances the possibility of attendance and that the cost of attendance is likely to be considerably lower for such students. Despite the availability of higher maintenance grants for students living at a considerable distance from universities it should be noted that only one quarter (26.2%) of full-time university students are in receipt of grants. The cost of participation by both non-grant-aided and grant-aided students living at a distance from a university will, therefore, be

considerably greater than that of students residing in or near a university centre.

It is recommended that the present higher education grants be improved to realistic levels for students who are unable to reside at home while attending third-level institutions.

10.3.3 Adult Education

The lower level of educational attainment among the farming population as compared with non-farmers suggests that farmers might profitably benefit from courses or other forms of continuation education. The Interim Report on Adult Education (1970) stated:—

"It has been submitted to us that the level of literacy and numeracy is so low amongst many of the working population that promotion, even to minor supervisory grades or further training that is not strictly manipulative is virtually impossible for many. We have also been urged to take account of a similar type of functional illiteracy amongst many farmers and farm workers, although the evidence is that no such problem exists among adult females in the rural community." (p. 20).

A number of formal courses dealing with aspects of agriculture are provided at present, e.g., courses under socio-economic advice scheme and winter farm classes both provided by the agricultural advisory service. Vocational Education Committees also provide evening classes on a range of topics, the type of course provided being dictated to a large extent by local demand. In this instance, however, such classes are mainly provided in urban areas where the demand is greatest. On the voluntary side a number of organisations provide a range of activities related to continuation education. Two of these—Macra na Feirme and Macra na Tuaithe—cater specifically for the farming community. Within the education system, adult education at present is accorded low priority with minimal State involvement or commitment. Indeed, there is no well-planned national policy on adult education nor is there any public declaration that one will be forthcoming. In view of these considerations, *our recommendation is that there be greater financial support available to the voluntary organisations engaged in*

⁴See Investment in Education, Vol. I, Stationery Office, Dublin, 1975, Ch. 6

adult education, especially those who already employ adult education, community development or other guidance officers.

10.4 Housing

In general, rural dwellings are older than those in urban areas, and they are much more deficient in amenities such as water supply and sanitation (See NESC Report No. 19, pp. 38-42). Aggregate data tend to conceal disparities between the remote, peripheral areas and areas contiguous to urban centres. The following figures (Table 10.1) show the contrasts between Ennis and Kilrush Rural Districts.

TABLE 10.1

Dwelling Age and Household Amenities in Two Clare Rural Districts

Percentage of Dwellings Built Before 1899 and After 1961 in the Rural Districts of Ennis and Kilrush

Rural District	<1899	1961-1971
Ennis	23.3	39.6
Kilrush	43.6	8.2

Percentage of Dwellings Having Certain Household Amenities in the Rural Districts of Ennis and Kilrush 1971

Rural District	Electricity	Fixed Bath/ Shower	Toilet	Water Supply
Ennis	98.4	59.4	73.5	71.8
Kilrush	94.3	25.6	47.9	43.0

Source: Census of Population, Special Tabulation.

While housing quality is higher in the growing rural areas it is likely to be much more costly as land prices rise. With an expansion in the young adult age cohorts, a falling marriage age and rising marriage rate, there can be difficulties for young people in finding living accommodation. The demands for the services of the Rural Housing Organisation in the Co. Clare villages testify to the expanding housing needs.

Those living in the remote rural areas can avail themselves if necessary, of the Essential Repairs Scheme under which substandard dwellings may be repaired. It is difficult to assess the adequacy of any such policy in the absence of up-to-date information on housing quality.

For the provision of dwellings and domestic amenities in rural areas it is useful to make a distinction between

- (i) areas with relatively stable populations
- (ii) areas of declining population
- (iii) areas of population growth.

The provision of dwellings in areas with relatively stable populations is unlikely to pose serious problems.

10.4.1 Areas of Declining Population

In areas of declining population one of the main difficulties is likely to be the repair of existing dwellings or provision of alternative accommodation, usually for elderly persons in sub-standard housing. Local authorities already provide for these contingencies through the essential repairs scheme and the provision of mobile or demountable dwellings. Such measures are an alternative to building more permanent houses in areas of falling population. Furthermore, local authorities, either alone or in conjunction with philanthropic or charitable organisations are increasingly providing dwellings on a scheme basis in towns and villages for elderly persons.

10.4.2 Areas of Expanding Population

It is in areas of population growth and areas adjacent to growing urban centres that problems are likely to be greatest. Here policy must be prepared to make immediate and adequate response to changing

population levels. There is a need to integrate rural housing plans with developments such as industrialisation which are likely to lead to population growth. The lag between job-creating developments and the provision of housing should be minimised to the greatest extent possible. Where co-operative housing groups emerge they should be given every support, e.g., initial funding to employ a full-time officer.

The increasing population renewal in small rural towns and their changing population structure (Chapter Two) lead to a consequent demand for housing in such centres. In some cases, however, the demand is insufficient to merit the provision of housing schemes by local authorities or to attract private builders to embark on a block programme. Agencies such as the Rural Housing Organisation in the Mid-West Region would seem to offer a solution in such circumstances.

10.4.3 Water Supplies and Sanitation

One of the priority social needs in rural areas is that of domestic water supply and sanitation. The most appropriate way to cater for this need is through the organisation of rural group water schemes. Much progress has already been made along this line but a more intensive promotional effort is required if the backlog of unserved dwellings is to be cleared without years of delay.

A problem, however, is that many communities do not find it easy to set up the necessary local organisation and maintain the momentum of local effort necessary to carry through a comprehensive group project. Technical and financial management can be formidable even if the group scheme idea is now long enough established to show what organisational procedures are necessary. Another difficulty in expediting work on the provision of water supply is that small local groups embark on schemes of limited scope which are subsequently found inadequate for extension to neighbouring communities.

Both of these difficulties would be minimised if, as we recommend in Chapter Nine, there was to be a national programme of local development. Local community development officers would help to initiate group schemes for water provision and other local needs. They would also help to ensure the necessary co-operation between localities in regard to exchange of technical information, accounting and management procedures.

10.5 Transport and Communications

Accessibility to service centres is a central problem for rural communities. Paradoxically, the remoter areas where public transportation is inadequate are often those where the incidence of private car ownership is lowest. This is related to low incomes and to the predominance of older people in the population. Even more ironically, these are the areas least served by good telecommunications systems. Furthermore, when other public services such as medical, hospitals, or police are withdrawn from sparsely populated rural areas the community is rarely compensated by having an improved telephone service.

10.5.1 Transport

In 1975 the national ratio of motor cars per 1,000 population was 168. Again, the contrasts emerge between a more urbanised rural area like Ennis Rural District and the remoter area such as Kilrush Rural District. In 1971 the former had 139 cars per 1,000 persons compared to 105 in the latter. While private car ownership may increase there will be a sizeable section of the rural population dependent on public transport. The elderly, especially those living alone, are likely to be the most disadvantaged. Judged again by the Co. Clare contrasts, these are proportionately more numerous in the remoter rural areas, as the following tabulation shows:

Rural District	% of Population Aged 65 +	% of Persons Aged 65 + Living Alone	% of Households Containing Persons Aged 65 + Only
Ennis	10.2	8.8	6.6
Kilrush	16.3	10.4	11.5

Obviously, it is difficult to provide regular and frequent public transport in low density rural areas. Costs are likely to be totally prohibitive in some cases. For example, during the winter months there is only one bus per week (on Saturday) from the farthest point of the Carrigaholt peninsula to Ennis and the return fare is £3.20 per person.

The possibility of introducing more flexibility in transport services for

some areas might be usefully explored. In particular, consideration needs to be given to those elderly persons with entitlement to free travel on public transport who are unable to avail themselves of this service regularly because of their geographical location. It might be possible, for example, to utilise publicly-supported school buses at weekends for shopping excursions or other social events.

10.5.2 Telecommunications

There is need for a special policy to cater to the particular problems of remote rural areas by improved telephone or radio links.

10.6 Social Service Administration

In the opening Chapter of this report we drew attention to the consequences of the organisational capacity required to implement public policy in a modern economy. One such consequence is the way in which administrations become self-enclosed, specialised and removed from each other. Here we can point to some specific manifestations of this general pattern.

At present a number of agencies are involved in the provision of social services to the rural community. There appears to be a strong case for greater co-ordination between agencies concerned. Reference has already been made to the different methods of assessing farm income to determine farmers' eligibility for various services. In this one area of administration alone there is need for greater co-operation between agencies. For some selected services, as well as for income tax, where eligibility or liability is determined either by a land valuation limit or a notional income per £1 land valuation, the equivalent multiplier per £1 land valuation varies greatly (Table 10.2). The lowest multiplier used is 20 (for Smallholders' Assistance) while the highest is 90 (for income tax). We have already recommended the use of regional notional incomes based on an updated land valuation system for the administration of Smallholders' Assistance. *Taking the other purposes of income assessment into account we suggest that multipliers could be standardised between services and adjusted annually. Where the present notional income is low—as in the case of Smallholders' Assistance—an upward adjustment in the multiplier should be introduced gradually until the same multiplier was used for all purposes.*

TABLE 10.2

Actual or Equivalent Multiplier Per £1 Land Valuation used in Assessment of Farmers' Income for Various Services and Income Tax 1978

	Non-Farmers	Farmers	Actual or Equivalent Multiplier per £1 Land Valuation
	Income Limit p.a.	Valuation Limit	
	£	£	
Higher Education Grant (full grant)	2,625	37.50	70
Limited Eligibility for Health Services	3,000*	60	50
Local Authority House Purchase Loan	3,500	60	58.33
Smallholders' Assistance	—	—	20/30**
Income Tax	—	—	90

*Limit of £3,000 applies to insured non-manual workers. There is no income limit for insured manual workers.

**Multiplier of 20 applies to farmers with holdings under £15 valuation and multiplier of 30 applies to those with holdings between £15 and £20 valuation.

An upward adjustment of the present notional incomes for Smallholders' Assistance would have a somewhat similar effect to the re-introduction of a means test but would involve less administrative cost. At best a notional income in its present form can only represent average farm income per £1 valuation for a group of farmers. By definition it cannot make allowances for variations around the average. In general, one would expect that such variations will be greater the more heterogeneous the group of farmers. Hence, a notional farm income based on regional averages is likely to be closer to actual incomes than one based on national averages. Additional refinement involving averages by size of farm and/or farming systems might further

reduce the difference between actual and notional incomes but would greatly complicate the method of assessment. If regional notional incomes based on actual average farm incomes are used to determine eligibility for social services there is a case on equitable grounds for a system of appeals for those whose notional assessment represents a serious over-estimate of income.

Where means tests (i.e. factual assessment of farm income) by different agencies are involved there is even greater need for co-ordination. Paradoxically, the two main agencies concerned here are the Department of Health and the Department of Social Welfare both amalgamated under the control of one Minister. Both Departments make cash payments (e.g., Disabled Persons Maintenance Allowance by Department of Health; a range of cash payments by the Department of Social Welfare) and both provide payments in kind (e.g., medical cards by Department of Health; free travel and electricity allowance by Department of Social Welfare). Both carry out means tests based on a factual assessment of income. In the case of farmers, the means test mostly carried out by the Department of Health is that to determine eligibility for a medical card whereas that most frequently undertaken by Social Welfare concerns eligibility for non-contributory old-age pension. In practice, Community Welfare Officers (formerly Home Assistance Officers employed by County Councils but now operating under the aegis of Health Boards) carry out means tests for medical cards. Social Welfare Officers are responsible to the Department of Social Welfare. Even with the involvement of personnel from two Departments in similar tasks there is a need for greater co-ordination of criteria used in assessment of means.

The above examples indicate the need for greater cohesion between agencies in the delivery of services. This is not to suggest that a solution is readily available. An amalgamation of agencies is one possibility, greater consultation between agencies is another. In practice, however, both of these may be unrealistic. Amalgamation of agencies would not necessarily lead to greater co-ordination since a larger organisation would still have to be sub-divided into clearly delineated functions. The inter-agency differences which exist at present could be perpetuated within a larger structure. While consultation between statutory agencies is undoubtedly undertaken on occasions it does not necessarily mean a greater co-ordination of

activities. The obvious anomalies existing between services suggest that at least, a greater frequency of consultation could be attempted. There are other instances in the administration of social services where a merger of functions would be desirable, the most obvious being income assessment by Health Board and Social Welfare personnel. The physical amalgamation of inter-related services in one building at local level would, in itself, be a positive step in the right direction. It would also facilitate rural people in gaining access to information about social services and social welfare benefits.

10.7 Conclusion

The provision of adequate social services is an issue of national scale and not one confined to rural areas alone. Our terms of reference required us to isolate the rural dimensions of the problem. The major inadequacies were seen to be in the inability of the health services to provide health care according to standards set by the service itself, in the difficulty of servicing a geographically scattered population, and in the poor standards of physical facilities such as primary school buildings, or domestic water supplies and amenities.

While it is unrealistic to expect that all localities can have social services up to the general contemporary standard the least that policy might try to accomplish is the minimisation of the disadvantages of rural location. We have made some proposals in this regard.

However, there is a more general point that can be made at this stage. The improvement of social services is basically a matter of correcting socio-economic imbalances between peripheral rural regions and areas of urban-industrial concentration. There is a case, therefore, within the EEC context for a greater deployment of public funds to cope with the social consequences of the major socio-economic transformations that affect rural populations. The EEC Social Fund, for example, might give more recognition to the social service and social infra-structural needs of residual rural populations.

CHAPTER ELEVEN

RURAL AREAS: ASPECTS OF POLICY FORMATION AND IMPLEMENTATION

11.1 Introduction

This report began with a conceptualisation of social and economic change, and of the problems related to such change in modern western economies. Drawing on the experience of the United States for illustration, Chapter One suggested that the major rural problems are dislocations and adjustments arising from the long-term process of economic modernisation. It was argued that, despite differences in size and stage of economic development the path of change in the rural U.S. was an appropriate background from which to observe and understand the current transformations in the Irish rural sector. Proceeding from this standpoint, the report went on to analyse three central problems in rural Ireland: demographic and community decline; increasing socio-economic differences; and the structural problems underlying low agricultural growth in sections of the farm economy. Major policies in operation were then reviewed in relation to a series of desirable development objectives—in resource use, population and employment, regional and local development, income maintenance and social services. A number of options for future policy were considered under these headings.

This final chapter returns to a more general level to discuss some broad issues of policy formation and implementation that transcend any consideration of policies under the particular headings we have been using in earlier chapters.

11.2 A Summary Analysis

Although earlier chapters ranged over a variety of topics there were two underlying themes in the discussion. The first of these was the

extent—in some respects the increasing extent—of social and economic disparities. Differences were noted between the regions, between rural and urban sectors, and between larger and smaller farmers.

11.2.1 Rural Area Contrasts

The dualism occurring within the farming economy (Section 2.8) is paralleled by a polarisation in development among rural communities. Problems manifest themselves quite differently as between the remote-peripheral districts and those areas within reasonable distance of expanding urban centres. This point was made repeatedly by reference to various differences between West Clare and the sub-region within the Ennis-Shannon-Limerick complex. Peripheral areas are locked into a cycle of cumulative disadvantage and continuing multiple deprivation while those in urban hinterlands experience economic and population growth—trends which make their own demands on policy. In many ways, rural areas in these central locations share the advantages and drawbacks of urban expansion.

As an illustrative exercise, the different problems of these two categories of areas are summarised in chart form in Figure 11A. The differences presented are seen as falling within the major elements of social provision, such as housing and health. In general, declining areas have poor natural resources, a history of heavy out-migration, an unbalanced population structure, and inadequate public facilities and services. The main problems of growing areas centre on the demand for living accommodation and infrastructural services which may not be provided on a scale commensurate with population increase. Often, expansion of employment is not accompanied by the provision of social or amenity facilities.

This report can only draw attention to the contrasting problems in rural area development. More localised studies—on the lines of comprehensive regional planning—are necessary to show how policies can be related to the requirements of different areas.

11.2.2 Cumulative Effects of Separate Policies

The second theme in the earlier discussion was the way in which separate policies may have combined effects that are self-defeating. Although we can offer no empirical evidence on the point, it seems

FIG. 11A SUMMARY ILLUSTRATION OF PROBLEMS AND POLICIES IN SOCIAL PROVISION IN RURAL AREAS

	Peripheral (Remote) Areas Declining			Central (Urban-Contiguous) Areas Expanding		
	Problems	Policies	Adequacy of Policy	Problems	Policies	Adequacy of Policy
1 Housing	Old age dwellings Poor amenities Generally poor quality structure	Essential Repairs Scheme Temporary dwellings	Fair	High price of sites Scarcity	Public Authority Housing Schemes Loans	
2 (a) Health—Community e.g. G.P. Nursing Dental Home Help	No effective choice of doctor High No. of persons per G.P.	Special Practice allowance	Inadequate	High ratio of young population to medical/nursing service	No special policy	
2 (b) Health—Institutions/ e.g. G.P. Hospital general— specialist etc.	Distance from hospital Poor specialist services	Reduced status of local hospitals				
3 Education	Poor physical facilities Distance from second level facilities	Necessary improvements Scheme 1977 School transportation	Unknown as yet Adequate	Large classes Some scarcity of accommodation	Auxiliary teachers 1977 Unclear	Unknown as yet
4 Transport Communication	Public infrequent Costly Private low incidence Low population size	Closure and withdrawal of services No special policy to improve phone services	Inadequate	Roads inadequate	Road-building and improvement	
5 Industrialisation	Shortage of non-farm employment Weak local enterprise Poor infrastructure	Good grants but low take-up		Few linkages with locality	Provision of industrial estates	

6 Agric Advisory	High turnover of staff	No special policy		Part-time farming not an attractive area for agric. adviser		
7 Manpower-Unemployment	Aged labour force Limited range of skills	Training and placement officers	Inadequate Not readily available locally	Frequent worker lay-off Redundancy	Selection Training Re-training and Placement	
8 Social Welfare	Low incomes Smallholdings Continuing dependency	Farmers' dues remission	Adequate but not integrated with agric. development			
9 Local Development Community Organisation	Absence of local structure Poor reservoir of local leadership	No clear policy Public authorities unco-operative towards local groups	Inadequate	Associations tend to be specialised Interest groups not community centred	Associations regarded as pressure groups Development left to public authorities	

plausible to suggest that a series of policies are drawing the same target populations in opposite directions. Individual policies are formed within the limited perspective of some *particular sector* or in response to a *special problem* but any combination of measures may in effect be aimed at a similar or overlapping *target population*. Thus, objectives set by different policy making agencies can be mutually at cross-purposes. If so, the result is that considerable public expenditure will achieve very little.

For example, there are three major schemes aimed at smallholders in western counties, with cost figures for 1976 as follows:

Smallholders' Assistance ("farmers' dole"), costing £20m. p.a.
 Rates remission grants, costing £36.5m. p.a.
 Directive on Disadvantaged Areas, costing £8.8m. p.a.

The Directive, in fact, cost £13.5m. but £5m. is available as an EEC subvention. Thus, the total drawn on the Exchequer is in the order of £65m.-£70m. per annum. This expenditure is applicable to areas of poor farm structure and static or declining agricultural growth. Although the schemes are conceived as aids to low-income agriculture they could in effect serve to inhibit possible agricultural development, particularly in so far as they are weighted against any policy that might improve land mobility. In fact, the aim of the EEC Disadvantaged Areas scheme in retaining people in farming, conflicts with the aim of the Farm Retirement scheme in encouraging movement out of farming. Similarly, policies which are restrictive of land mobility militate against a national afforestation programme though forestry may offer the best prospects for land use in handicapped areas.

Again, for illustrative purposes we have followed through this analysis of policy inconsistency in Figure 11B. by positing the likely effects of a range of measures against a number of policy goals. For instance, in regard to the goal of reducing income inequality the hypothesis is that Directive 159 and the various farm price supports have negative effects, i.e., they widen the income disparities between categories of farmer. Rates remissions, on the other hand, narrow these differences. Likewise, rural population maintenance objectives are served by industrialisation policies but negated by the non-technological bias in education, as reflected in the high ratio of pupils

taking traditional secondary school subjects to pupils taking other courses.

Taken in conjunction with the discussion in previous chapters this summary analysis helps to focus attention on general aspects of rural development policy.

11.3 Inadequacies of Present Policy Framework

Two main deficiencies may be observed in the present policy-making framework relating to rural problems. The first concerns the way these problems are identified and defined. The second weakness is the lack of co-ordination between separate measures.

11.3.1 Policy Perspectives

In regard to the way in which rural problems and development needs are perceived by policy-makers there are several comments that can be made. Firstly, there is need to clarify the nature and scope of rural development, to make explicit the various dimensions to this concept. Too frequently, rural development in practice is equated with the notions of agricultural growth or rural industrialisation. Agricultural development is concerned with the production of food at optimum levels of cost, quantity and quality. Rural industrialisation is the provision of jobs. Rural development, we suggest, is more extensive in scope and objective and more diverse in the strategies required than either agricultural or industrial development. It has to do with expanding the range of options and opportunities available to rural people, with providing access to the major institutions of society (access to jobs, education, social services, community organisations and leisure), with improving their individual life-chances and social conditions, and with enhancing the quality of their lives. Thus a development strategy based on raising farm income levels through agricultural expansion will not necessarily improve the lot of all farmers let alone improve the circumstances of all rural people. Agricultural and rural development are not mutually exclusive processes but neither are they identical. The relevance of clarifying rural development, its scope and purpose, is suggested by the hypothesis that intangible objectives lead to confusion, low commitment to action and consequent low achievement.

FIG. 11B. POSSIBLE CONSEQUENCES* OF A RANGE OF EXISTING SCHEME/PROGRAMMES

Policy Goals	Main Target Categories	Agric Dir 159	Agric Dir 160	Agric Dir 161	Agric Dir 286	Agric Subsidies etc	Small-Holders Assist	Old Age Pension	Rates Re-mission	Indust Develop	Regional Develop	Education
1 Agricultural Development Innovation and Land Use	Commercial and developing farmers	++		+	-	++	-	-	-			
2 Land Mobility	Older Farmers without Direct Heirs		++		-		-	-	-	-		
3 Rural Population Maintenance	Rural Population	-			++		+		+	++	+	-
4 Rural Employment	(i) Youth (ii) Under and Unemployed	-			+		-		+	+	+	-
5 Income Maintenance	Low Income Households	-			+	+	++	+	+			
6 Reduction of Income Inequality	Farming and Rural Families	-			+		++	+	+			+

*Not between farming household in disadvantaged areas but between farming regions
 +... = Strong positive effects - = Limited positive - = Negative effects

Secondly, there is a strong technocratic bias in development strategies, especially in agriculture. By this we mean a strong emphasis on manipulating physical or technical factors to induce technical change. The main concerns centre on improved technology, livestock improvement, fertiliser application, and market intervention. The conventional approach to agricultural development for example places more emphasis on programmes of technical assistance to individual farm units (through advisory services) than on institutional change (e.g. through changing land structures and tenure) or on human variables (through socio-economic guidance or education). Technology, though essential, is not the basic limiting factor. We are suggesting that the major constraints are demographic and structural: that is, factors that are themselves the outcomes of the way change has been taking place.

Thirdly, and related to this technocratic bias, is an undue dependence on the assumptions and reasoning of theoretical economics. Over-simplified and vulgarised versions of economic theory are implicit in many policy measures. Crude assumptions are made about the economic incentives, for example, without adequate allowances for the personal, structural or organisational conditions that affect individual responses. Similarly, it is assumed that the aggregate benefits of economic growth are widely distributed.

Fourthly, the contrast in area problems noted earlier (Section 11.2.1) and the increasing heterogeneity of the rural population suggest that policy should be flexible enough to be adapted to particular needs. For example, the concept of a "Disadvantaged Area" could be given more general expression in policy than through a single measure of headage payments applicable to livestock production. Rural "Disadvantaged Areas" (their economic and infrastructural needs generally) might be a central concern of the EEC's regional and social fund measures rather than being one minor element of its agricultural policy.

11.3.2 Policy Implementation

The second major weakness in the current rural policy framework is the lack of a consistent rationale in the profusion of schemes, programmes, concessions and services of relevance to the rural population. As just shown, a combination of these measures may have a bearing on the same policy goal. Seemingly, however, their inter-

relationships at the point of delivery are not adverted to even when their effects among the same target population are likely to be self-cancelling.

The reasons for this can be a matter for discussion. O'Donoghue (1968) notes that some inconsistency is to be expected—since no society ever succeeds in adapting its diverse activities to changed circumstances at the same pace in all sectors—but adds that inconsistencies are also due to the fact that various options have never been clearly analysed. We feel this is an apt description of rural development policies. We would also suggest that since membership of EEC much of our rural policy, because of its equation with agricultural policy, has been externally imposed. This increases the likelihood of a mismatch with other rural-related policies formed at home. It also generates a climate of policy-making which is "reactive" or "adapting" to external considerations rather than being "initiating" or domestically designed in response to particular national needs.

An extreme view of these kinds of inconsistencies would regard them as inevitable and indeed uncontrollable given the growth of the public sector. Such is the sentiment of Drucker (1969) in his description of public administration in the U.S.:

"Modern government has become ungovernable. There is no government today that can still claim control of its bureaucracy and of its various agencies. Governmental agencies are all becoming autonomous, ends in themselves, and directed by their own desire for power, their own narrow vision rather than by national policy" (p.8).

Without subscribing totally to this view it is possible to say that a considerable degree of organisational insularity exists in the Irish system. Sectoral policy-making encourages enclosed systems of institutional communication. Agencies operating at local level have lines of responsibility and communication to central level and are naturally more inclined to stay close to their own budgetary sources than to each other. Services or programmes relating to the same problem or target group emanate from different agencies. For example, income maintenance or supplementation is a function of the following measures and "host" Departments:

Smallholders' Assistance	—Social Welfare
Rates Remission	—Department of the Environment
Product Subsidies/Price Supports	—Agriculture (and EEC)
Disadvantaged Areas Scheme	—Agriculture (and EEC)
Old Age Pension	—Social Welfare

As we have pointed out most of these measures, though potentially detrimental to land mobility, are all applicable where land is required for structural reform.

While these inconsistencies exist at the planning level and relate to the general aims of policies and programmes, there is a similar lack of consistency at the lower operational levels as we noted in the case of social administration (Section 10.6).

In summary, the present situation represents not the absence of rural programmes but their proliferation. However, there are limited effects from current measures, or worse still, the various measures combine to effectively prevent the achievement of stated goals. And so the problems remain or become more pressing. Depopulation continues, agricultural output remains static or declines, land lies unused, rural services remain poor, and socio-economic disparities persist or increase between regions, between rural and urban dwellers, and between larger and smaller farmers.

Consequently, although we have made our earlier observations and recommendations under sectoral-type headings (agriculture, etc.) we do not wish to imply that isolated adjustments in current programmes will have the necessary impact on rural problems. Indeed, we believe that there is need for radical change in the whole process of policy formation and administration. At least the disparate effects of the agencies and programmes dealing essentially with the same problem or population, and frequently working at cross purposes, need to be co-ordinated.

11.4 Towards a More Comprehensive Approach

Society is an amalgam of groups and localities with divergent and even conflicting interests. Policy formation must proceed on the basis that such diversity does not preclude the existence of certain common interests, nor the possibility of increasing the welfare of all. Nevertheless, in a great many instances the material welfare of one

section of the community cannot be increased without sacrifice or expense on the part of some other section.

In this situation, public policy has to make choices about objectives and means. For this purpose there must be: (i) a knowledge of the facts of problem situations; (ii) an understanding of the causes of, or forces conditioning public problems; and (iii) a set of principles or value-criteria by which we define situations as problematic and which we can invoke to provide a guiding image of a desirable set of objectives for the future. A further comment is needed on each of these points.

There are still many inadequacies in our information and statistical data on rural problems and policy. Even where social statistics are available much of the information relates to *inputs* or coverage (e.g. medical cards per 1,000 persons, numbers receiving income maintenance payments) rather than to the impact or effectiveness of a service at the point of receipt. Policy-making is further handicapped by a lack of continuous evaluations of previous policies. Other deficiencies may be due to biases and limitations inherent in certain dominant concepts or statistical indicators as measures of social progress or decline.

But facts of themselves are not sufficient for policy purposes. They must be interpreted and given meaning. The nature of this interpretation will, in turn, influence policy directions. For example, our general perspective in this report is that the social problems of rural areas stem from complex economic and social transformations—including those induced by public policies—that transcend the farm, rural and even the national boundaries. In this process there is a complex distribution of social costs and benefits.

Policy is a matter of choosing between options. This choice will often reflect different and even conflicting values. These must be clarified and the political responsibility accepted for the task of choosing the optimum direction. There is, for example, the persistent value-dilemma of efficiency (or productivity in the creation of benefits) and equity (or the equitable distribution of benefits).¹ Of relevance too is the "people versus places" issue. That is, policies which reduce social and economic disparities between regions may not be consistent with measures aimed at maximising the welfare of individuals. The

¹The sharpness of this dilemma recedes where equity (e.g. in educational benefits) is essential to efficiency.

latter measures may emphasise relocation and supportive services to encourage people to move from rural regions to urban centres whereas policies aimed at area prosperity may have the opposite intention through the redirection of investment to regions. Similarly, there is a certain tension between the set of values which stresses the desirability of maintaining the rural population—or even the farming population—and other criteria which emphasise the desirability of national full employment and the necessity of building up the bigger concentrations of population as the appropriate means to this end.

This last issue of rural population maintenance and rural area viability is a recurrent one for Irish policies. "Rural" and "urban", however, can be a misleading dichotomy in this context. Rural areas should not be seen as the spaces between major towns or growth centres. We have suggested that this issue of rural viability be seen rather as one of maintaining *regional* demographic, economic and social organisation. In other words, the problem of rural development is one of comprehensive planning for regional and subregional areas. At regional level the unique problems of peripheral rural areas can be offset by building on the incipient growth of rural towns and urban centres within regions. At this level also the various public actions can be better managed to achieve a greater mutual consistency. Currently, centralised administration at national level though providing advantages for easier public control makes it difficult to try out various kinds of schemes for meeting the special problems of different regions. In any case, the problems of the agricultural economy, land mobility, rural employment creation, should not be seen as situations requiring only discreet isolated measures. It is more realistic to view these in a broader framework of national planning, but implemented to a greater extent than hitherto through regional-level structures.

11.5 Co-ordination of Programmes

A technical distinction can be made at this point between programmes (or schemes) and *policies* (Daft, 1972). Programmes consist of *inputs* for the accomplishment of special tasks (e.g. when investment aids achieve greater agricultural production). *Policies*, however, are concerned with the *products* of these programmes and with the *outcomes* of several programmes. Programmes have to be

directed, singly and in concert, to clearly-stated policy objectives.² We have been trying to highlight the way separate programmes fail to be articulated with policy objectives.

However, there is increasing awareness of the disadvantages of autonomous action by programme administrations. In Ireland, the formation of a Department of Economic Planning and Development and the amalgamation of the Departments of Agriculture and Lands are recent examples of attempts to get more consistent action on disparate programme areas. Elsewhere the relatively new concept of "integrated rural development" (Leupolt, 1977) testifies to the search for a fresh approach to rural development planning, emerging from a realisation of the failure of past efforts to achieve a broadly-based improvement in rural society. Integrated rural development, especially on a nation-wide basis, is not yet at any rate a well defined operational strategy but an acceptance of the principle that policy should be framed in the longer-term to achieve a mix of objectives such as agricultural growth, more equitable distribution of benefits of growth, more equal access to essential human services and wider opportunities for participation by rural people in decisions that affect their lives. It involves a kind of planning in which linkages between various activities are identified and it seeks to co-ordinate, under a single "management system", the key factors required for development.

This in turn demands a consideration of institutional and administrative structures in rural development. Co-ordinative arrangements have been seen as necessary in the experience of several countries, but there is a cautious and self-defensive stance on the part of established agencies.³ Even if co-ordinating bodies are formed, the actual integration of activities is only minimal. Agencies grope for solutions to problems but not beyond the point where there is a

²The Interim Report of the Inter Departmental Committee of Land Structure Reform (1977) suggests, for example, that land restructuring schemes were not based on any well defined policy related to agricultural development. The Committee approached the task of policy recommendations by considering the basic value criteria that might underpin future land reform weighing these in the context of current needs, and selecting the central objectives for future policy. This is a commendable approach to policy formation.

³A characteristic of organisations is a tendency for self maintenance and further expansion. Selznick (1966), for example, notes the way in which established commitments, precedents, alliances, symbols, and personal loyalties transform an organisation from being a manipulable instrument into something having a special status and identity of its own and thus resistant to treatment simply as a means to some external goal.

surrender of their own established functions. The report of the Gaeltarra/SFADCO Working Group summarised the position as follows:

"Co-ordination of its nature involves agreement and compromise, often in terms of the lowest common denominator. It is a slow process. It is not a self-starter. In any case it already exists to a considerable degree between the State agencies operating in the Gaeltacht without having produced the necessary results" (p.80).

Thus, not only is there a need for a new orientation to policy formation but there is also a need for a re-structuring of administrative arrangements to at least avoid the likelihood of various policy outcomes being mutually inconsistent and contradictory. Despite the natural inertia of long-established structures there are compelling reasons for giving serious consideration to the kinds of functions that might be undertaken by a single agency. One possibility exists in regard to agricultural adjustment measures.

11.6 Agricultural Adjustment and Development Co-ordinating Various Measures

One of the central themes in this report is that contradictions are inherent in the cumulative effects of the range of programmes serving the rural population, and especially those being directed to the farming population. A more intensive area-based study is required to develop a fuller understanding of how the various schemes operate in practice—whether the lack of consistency we have posited is in fact extensive. Admittedly, there must be an array of policies serving different categories of the population, and even responding to different needs within the same category. But the point is that the different measures or schemes should not be self-cancelling at the place of delivery and their collective impact and achievement should be no less than their separate effects. We tried to illustrate this with respect to the £65-70m. currently being expended on rates remission, income maintenance and special "disadvantaged area" aid to smaller farm areas. This mix of schemes should be utilised to give maximum flexibility in solving individual area or family-level problems in agricultural adjustment. We have visualised the major problem in agriculture as one of "adjustment", a concept which is wider in meaning and implications than "development". As the major barriers

are structural, production incentives will only be effective to a limited extent. Adjustment is essentially concerned with matching available land resources with a declining labour force in farming. It means catering to the social and economic needs of those no longer able to engage in productive farming while ensuring that land is not withdrawn into low intensity usage in the wake of continued demographic decline.

Integration of measures need not necessarily mean their consolidation into a single administration. A pilot programme operated jointly by the agencies concerned with development schemes, farmer retirement, land reform, income maintenance⁴ and social welfare provisions could be tested out in a single county or agricultural co-operative area. However, the logic of our analysis is that only a single agency with comprehensive responsibility for these functions could make the necessary break from the present administrative framework. The operation of such a broad-based programme of agricultural adjustment would try to achieve maximum flexibility in matching available schemes to the variety of needs among land-holding families. In this way the moneys available for farmer retirement or smallholders assistance could be manipulated so as to provide the best incentives for the changes desirable in a particular situation.

A programme of this kind might not be best administered from central government level. National-level administrations have most advantages in providing routine, well-standardised services. Yet some wide degree of geographical coverage and organisational size would be required to give economies of scale—in providing specialists, for example. In line with our general view of rural development as an issue in regional planning, we suggest multi-county units as the operating base for such a comprehensive agency. The main policy objectives at central level could be adaptable to regional differences. This would also allow a greater degree of experiment in dealing with agricultural adjustment seeing that there is not, as yet, a useful model on which to base successful national programmes of agricultural development and adjustment.⁵ An agency of this kind would complement other regional

organisations concerned with industrial or area development. Planning on this wider basis requires its own strategies, which could possibly be done under a regional authority having some budgetary independence and professional planning staff. Central authorities would monitor progress, supply other specialist services and provide guidelines in line with national planning.

Such proposals may seem naive in face of the in-built inertia and sense of self-preservation common to established structures everywhere. However, in relation to agriculture especially, the price of maintaining the present less integrated framework is continuing failure to tackle the central problems of agricultural adjustment and the prospect of even more expensive social welfare measures in the future.

⁴Smallholders' Assistance.

⁵In other words, resource surveys or mere facts about soils, population, and land use patterns, projections on future development (e.g., in agricultural growth) or even precise policy objectives are all insufficient. Also needed is an understanding of the process by which desirable change takes place and the way in which all available resources (e.g., those of local co-operatives as well as of public services) have to be allocated to this effect.

RURAL AREAS: CHANGE AND DEVELOPMENT

SUMMARY

1. This report is concerned with problems of change and development in rural areas under a number of headings: agricultural development and land-use, population and employment, regional and local development, income maintenance and the reduction of income inequalities and the provision of social services.

2. The aims of the report are to:

- (a) analyse the central problems of change and attempt to develop an understanding of their origins, persistence and implications;
- (b) to assess existing policies as means of achieving a number of desirable objectives for rural development;
- (c) examine considerations that should guide future development, explore policy options and make proposals for policy changes.

3. A main thesis of the report is that the rural problems identified are dislocations and adjustments arising from the long-term process of economic modernisation. That is, the major policy issues arising in Irish rural development are linked to a complex of technological, economic and social transformations that have, to various degrees, worked themselves out in the more advanced countries of the western world. A characteristic of modern western societies, including the most affluent, is the persistence of seemingly intractable problems in the rural sector. Vast technological changes and rising economic wealth are accompanied by chronic low-income, involuntary migration,

inadequate public facilities and services, and a general debilitation of rural community life.

4. To illustrate the basic dimensions of this process of long-term change, the experience of the U.S. is portrayed in *Chapter One*. While in the aggregate, American agriculture has shown considerable economic expansion, this obscures an increasing concentration of production and the relative impoverishment of a large category of farmers. Rural community decline co-exists with urban congestion. The assumptions underlying rural policies prove to be unwarranted, e.g., that labour and land adjustments will be made in response to economic incentives and market conditions. The administrative agencies inherited from the past do not function in such a way as to make an adequate response to the problems emerging.

The subsequent chapters seek to draw out the Irish parallels to this American experience.

5. *Chapter Two* deals with three main problems: (a) demographic and community change, (b) the differential impact of economic change on various categories of the rural population, and (c) the relatively poor growth rate of Irish agriculture.

- (a) While decline in the aggregate rural population has been slowing down the majority of rural areas (Rural Districts or District Electoral Divisions) continued to have losses in 1966-71. By contrast a minority of rural communities, generally contiguous to urban centres, have to cope with problems of growth.
- (b) There is clear evidence of wide regional, and class differences on a number of socio-economic indicators. Western and North-Western counties lag behind others in incomes and levels of living (Section 2.5). Household incomes are higher in urban than in rural areas. Farmers' incomes are higher than those in the rural non-farm category. Pre-occupation with farm and non-farm differences in incomes, based on simple average comparisons, obscures wide differences within the farming sector itself. Moreover, the income gap between

smaller and larger farmers is increasing (Sections 2.6 and 2.7). Marriage opportunities have also declined considerably for the smaller farmers. The real social distinctions are no longer those between farm and non-farm or between urban and rural categories. Large farmers now compare favourably with urban middle classes in terms of incomes, consumption patterns and marriage prospects. Small farmers (especially those under 50 acres) regress towards a declining social position.

- (c) A moderate rate of agricultural growth conceals an expanding and stagnating sector. It is argued that, paradoxically, this is an outcome of the existing forces of modernisation and commercialisation in agriculture, including conventional farm development policies (Section 2.8). These consolidate the economic viability of those farms already well circumstanced: the remainder decline both in demographic structure and economic performance but in this process land is increasingly withdrawn into low-intensity usage. Nationally, one-third of our agricultural land is operated by depleted farm households. The concentration of supports and services on the secure minority of farmers hastens the dissolution of the farm economy on the remaining holdings.

6. *Chapters Three, Four and Five* deal with agricultural policy, farm development and land policy. Structural factors, such as those discussed in Section 2.8; are the major barriers. Consequently, agricultural development lags far behind its potential. It has not responded fully to the favourable prices available since EEC entry. Price policies confer most benefits on the larger producers. EEC farm modernisation programmes discriminate against efficient management on medium-sized holdings. An analysis of the EEC Disadvantaged Areas Scheme suggests that moneys expended could be put to more useful purpose. Land policies do not cater to the needs of those smaller farmers who could use land most productively (Section 5.2). Neither does the land market operate in their favour (Section 5.4). Land-tenure patterns do not make for land mobility: some public policies—such as remissions on rates—are at variance with mobility objectives.

7. The main recommendation on agricultural development (*Chapter Four*) is that this issue be seen not in the narrow terms of "development" but as a problem for a comprehensive policy of "agricultural adjustment". The implications of this are a lessening of the confusion between developmental and welfare aid and greater complementarity between (a) the incentives for farm development, (b) land structural reform and farmer retirement, and (c) social welfare or income maintenance measures applicable to small farmers. The various measures could then be manipulated flexibly in the case of any family with land capable of being brought into agricultural production. It is recommended that the Farm Modernisation Directive, which is highly selective in favour of the top 20% of farmers, should be amended to allow full developmental aid to all those farmers who could provide an adequate livelihood for themselves and their families. This would be done by a re-direction of expenditures currently going to non-development objectives. Coupled with this, a re-orientation of the farm advisers' role is suggested to give intensive and sustained support to potentially viable farmers not hitherto closely linked to the service (Section 4.4). A fully professional socio-economic guidance service is also proposed. It is recommended that agricultural land be subject to a land tax as a minimum and that amounts paid could be used to offset equivalent liabilities for income tax. Farm income tax should be assessed on a factual basis with liberal allowances for development investments.

8. In considering policy options for land re-structuring (*Chapter Five*) the report accepts the principle of land market regulation, and a size limit on purchases, as proposed by the Inter-Departmental Committee (Section 5.6). Additionally, it is suggested that "priority applicants" seeking land be given financial aids to purchase. The report also suggests that consideration be given to the establishment of a "State Land Bank", financed by public shares, which would buy land for re-leasing to deserving applicants. Financial institutions or large co-operatives should also be allowed to acquire land over a statutory purchase limit provided it is leased on a long-term basis to young farmers. Various minor adjustments are proposed as improvements to the existing Farmer Retirement Scheme but the main recommendation is that land mobility generally be tackled as a problem of farm

inheritance. This is because non-market transactions are traditionally the predominant mechanisms of land transfer. Farm inheritance should therefore be a central concern of the advisory services. It is recommended that leasing be actively promoted and the legal situation affecting leases clarified (Section 5.13).

9. *Chapter Six* recommends that eligibility for Smallholders' Assistance be determined by reference to a notional income within different regions. This would have to be based on an updated land valuation and periodic adjustment of the multiplier (Section 6.2).

It is also recommended that farmers should be brought into a social insurance scheme for the self-employed (Section 6.3).

10. Problems of rural population maintenance, employment, regional and local development are discussed in *Chapters Seven, Eight and Nine*. While the majority of rural localities had still some population losses in 1966-71 the dispersal policy of industrialisation has been instrumental in lessening the impact of rural population decline. This, together with the greater employment needs of the rural regions, justified the continuation of past policies of rural industrialisation. However, the report suggests (Section 7.7) that there should also be a commitment to the decentralisation of tertiary employment to provincial locations.

Even within this strategy all rural communities cannot hope to maintain present levels of population. They will have to consider themselves as integral parts of larger geographical areas where a certain threshold of population is necessary to support basic institutions.

11. Regional organisations having delegated statutory powers should be established to promote regional planning and development (Section 8.6).

12. The report recommends the formal establishment of a national programme of locality and community development (Section 9.4). This should be an integral component of regional development. The objective would be to have statutory authorities and local independent organisations working in closer collaboration to identify and promote

development projects based on local initiative and resources. Complementary changes in local authority administration are suggested as another possibility. These would give minor administrative responsibility to local district councils. Regional Technical Colleges should link into such a programme by providing the necessary training for both professional and voluntary rural community workers.

13. Many deficiencies in the social services are not exclusively found in rural areas but the dispersed nature of rural settlement does create problems in service provision (*Chapter Ten*).

Where a sufficient population base exists in rural areas, the report recommends the provision of the kinds of health services commonly available elsewhere. Where families and households are depleted, more public health nurses, social workers and home helps are required. Increased hospital back-up services (e.g. ambulance, public telephone) would help to offset the disadvantages of distance for persons living in relatively remote areas (Section 10.2).

It is recommended that improvement of basic facilities in small rural primary schools be monitored to ensure that management boards are fulfilling their function in this respect by using the grants available. At second level, changing population levels also need to be monitored to assess the need for more Comprehensive Schools. Grants at third level need to be raised to realistic levels for students living a considerable distance from university centres. Greater financial support should be made available to the voluntary organisations engaged in adult education (Section 10.3).

Housing needs will vary between areas of declining and growing populations. It is recommended that rural housing plans be more closely integrated with the rural industrialisation programme. The other main deficiency in rural housing, i.e., lack of piped water, could be remedied by more intensive promotion of group water schemes by community development groups (Section 10.4).

14. The gradual implementation of various aspects of social policy and the piecemeal growth of administration agencies in the past have given rise to anomalies and to a lack of co-ordination in assessing needs. The actual or equivalent multipliers per £1 land valuation used

to determine eligibility for various services vary greatly and it is recommended that these be based on an updated land valuation, standardised and adjusted annually. The physical amalgamation of related services in one local centre would also be a step towards greater administrative cohesion between agencies (Section 10.6).

15. In discussing some general issues of policy formation and implementation, *Chapter Eleven* returns to a central theme of the report, viz., the lack of a consistent policy rationale and of clear policy objectives in the various programmes, services and concessions relevant to the rural population. Thus, for example, the £65m.-£70m. expended annually on rates remission, smallholders' assistance and the EEC Disadvantaged Areas, all as aids to low-income agriculture, could in fact be inhibiting agricultural development in so far as they are weighted against any policy that might improve land mobility. The confusion of policy goals arises partly from a lack of complementarity in the mix of EEC and national policies and also from the insularity of agencies providing schemes to the rural population.

16. It is suggested that isolated adjustments to current schemes will not be enough to meet these problems. As an example of a more comprehensive approach it is proposed that a single "agricultural adjustment and development agency" should have control over (i) farm development programmes, (ii) land reform measures including farmer retirement schemes, and (iii) the administration of income supplements and other social welfare measures to landholders. In this way, development and welfare aids could be adapted flexibly to the needs of individual families and in a way which limits the possibility of the effects of one policy being cancelled out by another.

In this context, the framework of administration should be on a regional basis. This would allow for more responsiveness, diversity and experimentation especially as there is no well-defined model for dealing with the problems of rural development.

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APPENDIX

TABLE A.1

Selected Characteristics of Different Categories of Household

Characteristics	Urban	Large Farm	Rural	Small ¹ Farm	Rural Non-Farm
<i>Average Household Size</i>	4.085		4.005		3.860
<i>Composition:</i>					
1 Adult alone	13%	7%		14%	18%
2 Adults only	16%	16%		23%	22%
Households with children	54%	49%		38%	42%
<i>Gross Weekly Household Income: Median 1973</i>	£37.6		£29.8		£27.8
<i>Gross Weekly Household Expenditure: Average 1973</i>	£45.0		£35.8		£35.8
<i>Percentage in Higher Social Groups, 1 and 2</i>	37.2		—		15.8
<i>Household Amenities etc.</i>					
Television Set owned	46.5		44.6		39.2
Motor Car	45.3		54.2		48.5
Motor Cycles	3.9		4.0		6.1
Washing Machine	51.7		36.4		33.8
<i>Current Bank A/c</i>	35.0		36.9		21.7
<i>Medical Card(s)</i>	24.8		38.8		53.3

¹Under 30 acres.

Source: Household Budget Survey, 1973 Vol. 1, Table F, and unpublished data from same source.

TABLE A.2

Regional Population Change, 1951-61

Region	% of State Population 1971	% Rural 1971	% Population Change 1951-71			
			51-56	56-61	61-66	66-71
<i>Dublin:</i> (Total County)	28.6	3.5	1.8	1.8	10.7	7.2
<i>East:</i> (Kildare, Louth, Meath, Wicklow)	9.6	59.2	-0.9	-2.4	3.2	8.1
<i>South:</i> (Cork, Waterford, Limerick, South Tipperary)	21.5	49.1	-1.8	-2.7	2.3	3.4
<i>South East:</i> (Carlow, Kilkenny, Wexford)	6.1	69.2	-2.2	-3.7	-0.5	2.6
<i>Midlands:</i> (Laois, Offaly, Westmeath, North Tipperary)	6.9	66.7	-1.7	-2.7	-0.1	1.0
<i>South West:</i> (Kerry, Clare, Galway)	11.3	73.8	-3.6	-4.2	-1.6	0.7
<i>North:</i> (Sligo, Cavan, Donegal, Monaghan)	8.6	81.6	-6.7	-7.4	-4.3	-0.8
<i>North West:</i> (Mayo, Leitrim, Roscommon, Longford)	7.4	85.9	-6.6	-7.5	-6.2	-5.1
<i>State</i>	100.0		-2.1	-2.8	3.3	3.3

Source: Census of Population.

TABLE A.3
Annual Average Rates Per 1,000 Average Population

Region	1961-66			1966-71		
	Births	Deaths	Natural Increase	Net Migration	Pop-ulation Change	Deaths
Dublin: (Total County)	25.0	9.5	15.5	+4.8	-20.3	23.5
East (Kildare, Louth, Meath, Waterford)	23.5	11.2	12.3	-5.9	-6.4	23.4
South (Cork, Waterford, Limerick, South Tipperary)	22.2	12.4	9.8	5.3	+4.5	21.6
South-East (Carlow, Kilkenny, Wexford)	22.0	12.4	9.5	10.5	-0.9	22.0
Midlands (Laois, Offaly, Westmeath, North Tipperary)	23.0	12.0	11.1	11.2	—	21.8
South-West (Kerry, Clare, Galway)	19.0	12.3	6.7	9.9	-3.2	18.9
North (Sligo, Cavan, Donegal, Monaghan)	18.5	13.2	5.2	14.0	-8.7	18.1
North-West (Mayo, Leitrim, Roscommon, Longford)	16.9	13.7	3.2	16.0	-12.8	16.5
State	21.9	11.7	10.3	5.7	4.6	21.3
						13.9
						11.2
						5.0
						13.1
						2.7
						10.1
						13.0
						3.7
						10.4
						6.4

Source: Census of Population

TABLE A.4

Percentage Males Married and Changes in Numbers Married in Selected Age Groups, 1961-71

Region	% married			% Change in numbers married 1961-71	% Married			% Change in numbers married 1961-71
	20-24				25-59			
	1961	1966	1971		1961	1966	1971	
Dublin	11.6	14.1	18.7	+142	48.3	54.7	60.8	+ 66
East	8.2	12.0	19.5	+247	35.3	43.9	60.0	+128
South	7.1	10.1	16.2	+207	31.3	40.2	49.9	+ 90
South-East	7.1	10.3	14.3	+157	27.8	37.0	47.5	+111
Midlands	6.1	8.7	13.4	+169	26.4	34.9	45.0	+ 82
South-West	3.3	5.9	10.1	+298	19.6	28.0	39.5	+136
North	3.8	6.3	10.5	+249	21.5	28.7	40.2	+102
North-West	2.6	4.4	6.6	+199	16.8	22.6	33.4	+ 85
State	7.5	10.4	15.4	+182	32.8	41.4	50.7	+ 88

Source: Census of Population

TABLE A.5

Percentage Changes in Populations of Age Groups 20-24 and 25-29 years

Region (As in Table 2.1)	Age Group 20-24			Age Group 25-29		
	1951-61	1961-66	1966-71	1951-61	1961-66	1966-71
Dublin	-13.6	+24.0	+14.9	-17.7	+11.9	+12.5
East	-20.9	+20.0	+23.7	-30.2	+6.0	+32.1
South	-19.2	+15.6	+16.8	-24.6	+2.5	+15.5
South-East	-21.4	+14.2	+13.4	-28.9	+0.0	+20.6
Midlands	-25.8	+12.3	+10.7	-30.8	-6.1	+13.9
South-West	-26.4	+16.6	+17.5	-30.2	-1.7	+19.2
North	-33.6	+7.1	+19.3	-37.4	-8.3	+14.8
North-West	-37.9	+4.9	+11.4	-37.0	-12.1	+4.1
State	-21.9	+17.3	+16.2	-26.7	+2.7	+15.9

Source: Census of Population.

TABLE A.6
Regional Population Changes 1966-71, Classified by Size of Place

Region (as in Table 2.1)	Urban Areas (1,500 + Persons)	Rural Towns/Villages (200-1,500 Persons)	Open Countryside (Under 200 Persons)
	%	%	%
Dublin	+ 7.1	+61.7	-0.6
East	+12.0	+15.9	+3.8
South	+ 6.8	+ 6.6	-0.9
South-East	+ 6.2	+ 8.1	+0.1
Midlands	+ 6.2	+ 2.9	-2.3
South-West	+ 8.1	+10.0	-3.2
North	+ 7.0	+ 6.3	-3.8
North-West	+ 4.7	- 0.3	-7.2
State	+ 7.7	+ 8.9	-2.2

Source: Census of Population. Places classified on basis of 1966 Populations.

TABLE A.7
Percentages Population Changes in County Clare

	Males			Females		
	Ennis	Mid-Clare	West-Clare	Ennis	Mid-Clare	West-Clare
0-14 Years						
1951-61	- 1.35	- 5.64	- 6.47	- 0.82	- 4.79	- 5.33
1961-66	9.45	-8.60	-10.51	7.98	-3.99	-8.49
1966-71	23.23	-2.20	-7.92	24.95	-2.97	-7.81
15-34 Years						
1951-61	-19.14	-26.39	-27.94	-12.35	-17.69	-28.36
1961-66	20.00	6.79	-1.20	31.51	0.87	-2.35
1966-71	22.35	4.08	-5.49	20.79	4.99	1.49
35-44 Years						
1951-61	-14.13	-28.89	-19.81	-11.40	-12.13	-12.28
1961-66	-2.49	-15.12	-11.69	-1.26	-15.14	-14.26
1966-71	8.81	-12.43	-13.77	6.85	-15.06	-16.76
45-64 Years						
1951-61	4.75	0.87	0.68	8.60	-5.30	-4.05
1961-66	1.53	-4.04	-2.34	1.93	-5.88	-3.39
1966-71	3.56	-4.44	-4.60	4.59	0.72	-2.82
65 Years and Over						
1951-61	3.50	-6.04	-6.34	4.77	-9.09	-2.44
1961-66	5.17	-2.07	2.55	7.00	3.50	2.09
1966-71	-7.60	-5.81	-5.39	5.76	-3.06	-2.04
Totals						
1951-61	-6.25	-12.59	-12.20	-2.78	-9.29	-10.95
1961-66	8.16	-4.13	-4.85	11.08	-3.69	-5.27
1966-71	13.28	-3.04	-6.81	15.48	-1.79	-4.87
Total: Males and Females Combined						
Percent Change			Annual Average Percent Change			
1951-61	-4.62	-11.09	-11.62	-0.46	-1.11	-1.16
1961-66	9.56	-3.93	-5.05	1.91	-0.79	-1.01
1966-71	14.35	-2.46	-5.90	2.87	-0.49	-1.18
1961-71	25.29	-6.29	-10.65	2.53	-0.63	-1.07

Source: Census of Population.

TABLE A.8

Regional differences in domestic¹ water supplies and sanitary facilities

	Percentage of Dwellings Without						1961-71 % Change in Dwellings Without		
	Piped Water		Fixed Bath or Shower		Toilet or Closet		Piped Water	Bath or Shower	Toilet Closet
	1971		1961		1971				
	1961	1971	1961	1971	1961	1971			
Dublin	2.90	0.88	30.40	13.86	1.03	0.30	-65.90	-48.99	-67.07
East	48.10	22.50	73.30	47.62	30.29	14.11	-48.47	-28.32	-48.66
South-East	56.57	26.03	82.05	60.43	44.65	25.84	-53.08	-25.76	-40.87
Midlands	61.27	32.21	80.43	58.97	46.95	28.26	-46.73	-25.72	-39.03
South	39.88	17.57	72.58	49.67	36.74	20.62	-53.72	-28.10	-41.05
South-West	64.83	36.97	82.09	57.65	59.58	36.86	-42.13	-28.74	-37.22
North	69.10	40.77	84.99	63.46	51.17	30.17	-43.19	-28.11	-43.24
North-West	73.48	47.26	86.29	65.78	64.57	42.21	-40.74	-29.76	-39.77
State	42.81	21.84	66.76	44.59	35.07	19.87	-46.80	-30.36	-40.96

¹Figures for 1961 relate to *private dwellings* (the room or sets of rooms occupied by a private household) while those for 1971 refer to *housing units* (a conventional house or separate flat regardless of the number of private households it contains). Generally, however, one private household occupies a housing unit.

Source: Census of Population 1961 Vol. VI, and 1971 Vol. VI.

TABLE A.9

Distribution of Household Facilities by Farm Size

	Acres					
	<15	15-30	30-50	50-100	100-150	150+
	%	%	%	%	%	%
Gas	2.5	0.5	0.7	0.2	-	-
Electricity	89.9	91.4	94.7	95.2	93.8	98.8
Telephone	1.9	3.7	7.1	16.8	33.0	46.3
Television	53.9	58.3	66.2	77.8	82.1	86.6
Washing Machine	20.2	27.5	37.0	51.9	67.9	75.6
Dishwasher	0	0.2	0.5	0.7	1.8	6.1
Refrigerator	29.0	30.3	35.9	49.0	59.8	62.2
Deep Freeze	0.3	1.6	2.8	9.5	19.6	20.7
Full Central Heating	2.2	1.9	4.1	7.2	8.9	14.6
Partial Central Heating	0.6	1.9	0.9	2.0	1.8	4.9
Bank Account	12.3	15.9	34.5	54.4	75.9	81.7
One Car	35.9	42.4	52.4	75.5	84.4	86.6
Two Cars	0.6	0.5	1.6	1.4	2.7	4.9
Motor Cycle	6.0	4.0	4.1	4.1	5.4	2.4
One Car (Owned)	31.5	39.6	51.5	73.7	83.9	85.4
Two Cars (Owned)	-	0.2	0.7	0.9	0.9	3.7
Car on H.P.	5.3	3.3	2.5	2.7	4.5	3.7

Source: 1973 Household Budget Survey. Unpublished Data

TABLE A.10

Percent Distribution of Farms by Size of Family Farm Income: Full-Time Farms 1975

Income (£)	State	Leinster	Munster	Connacht	Ulster
0	3.0	3.0	1.6	4.9	3.8
0-249	4.3	3.5	2.1	7.9	6.7
250-499	6.6	3.5	3.4	12.8	11.5
500-999	16.3	14.0	12.2	25.0	17.6
1000-1999	24.4	26.0	17.9	29.1	32.8
2000-2999	17.3	18.1	20.9	12.7	13.5
3000-3999	10.4	10.8	14.8	3.7	8.4
4000-4999	5.9	6.5	9.1	1.8	2.3
5000+	11.8	14.7	18.1	2.1	3.5
	100.0	100.0	100.0	100.0	100.0

Source: An Foras Taluntais, *Farm Management Survey 1972-75* February 1977.

TABLE A.11

Average Family Farm Income by Size of Farm: Full-time Farms 1975

Size of Farm	State	Leinster	Munster	Connacht	Ulster
5-15	509	-			
15-30	946	1142	1332	741	830
30-50	1810	1782	2126	1435	1702
50-100	2576	2193	3233	1755	2131
100-200	4514	4843	4919	2128	2801
200+	6588	7104	7591	2280	3083
All Sizes	2498	2862	3247	1294	1607

Source: An Foras Taluntais, *Farm Management Survey 1972-1975* February 1977. Tables 66, 72, 78, 84, 90, p. 8. 28f.

TABLE A.12

Demographic Changes in Farm Labour Force 1926-71

	Total Male Agricultural Labour Force			Number of Male Farmers Unmarried and over 45 years			Male Farmers Unmarried and over 45 years as % of all male farmers		
	1926	1951	1971	1926	1951	1971	1926	1951	1971
Dublin	10,626	9,727	5,769	232	305	204	16.4	17.4	14.5
East	43,118	38,245	22,651	2483	2662	2199	19.9	20.9	20.2
South	107,421	88,655	55,825	4209	5339	5901	11.6	15.3	18.8
South-East	41,756	34,732	22,148	2265	2389	2089	17.5	20.5	19.5
Midlands	50,039	42,368	24,729	3027	3690	3433	16.9	22.1	23.2
South-West	101,642	83,404	51,712	3608	5801	7402	8.3	14.1	21.0
North	97,586	71,239	39,244	7127	7737	7329	15.9	20.6	27.3
North-West	97,984	76,422	41,356	4348	6783	7585	9.0	15.8	23.9
State	550,172	444,792	263,434	27,297	34,706	36,142	12.6	17.4	22.2

Source: Census of Population

TABLE A.13

Growth in Agricultural Output 1965-75 (1965=100)

Year	Gross Output	Net Output
1965	100	100
1966	99.8	100.4
1967	102.9	102.8
1968	110.2	108.8
1969	110.4	106.7
1970	113.5	108.7
1971	120.9	114.9
1972	125.4	120.1
1973	128.2	120.1
1974	125.4	120.3
1975	137.1	139.7

Source: Irish Statistical Bulletin.

TABLE A.14

Regional Labour Force Changes 1961-71

Region ¹	Agricultural Employment		Non-Agricultural Employment	
	Nos.	%	Nos.	%
Dublin	-1,352	-22.8	+39,212	+14.5
East	-7,950	-25.7	+15,692	+25.0
South	-19,951	-25.7	+21,554	+15.2
South-East	-8,185	-26.8	+5,335	+16.1
Midlands	-9,955	-27.7	+4,692	+11.9
South-West	-20,426	-27.5	+11,573	+22.7
North	-17,572	-30.0	+6,603	+15.1
North-West	-20,262	-31.3	+3,292	+10.7
Total	-105,653	-27.9	+107,953	+16.0

¹Regions as in Table 2.1

Source: Census of Population.

TABLE A.15

Number of Full-time Students in Universities in 1975/76 as a Percentage of
Persons aged 2-14 in 1961 by County of Residence¹

	Male	Female
Leinster:	3.3	2.3
Carlow	1.8	1.5
Dublin	4.3	2.9
Kildare	2.3	1.5
Kilkenny	1.5	1.5
Laois	1.6	1.8
Longford	2.0	1.5
Louth	2.3	1.5
Meath	1.9	1.6
Offaly	1.7	1.3
Westmeath	2.6	1.9
Wexford	2.0	1.4
Wicklow	2.8	1.9
Munster:	3.0	2.2
Clare	2.6	1.9
Cork	3.9	2.9
Kerry	2.9	2.0
Limerick	2.2	1.6
Tipperary	2.5	1.8
Waterford	2.1	1.6
Connacht:	2.5	2.4
Galway	3.5	3.3
Leitrim	1.8	1.5
Mayo	2.0	1.8
Roscommon	1.9	2.0
Sligo	2.1	2.2
Ulster:	1.4	1.3
Cavan	1.4	1.2
Donegal	1.4	1.3
Monaghan	1.5	1.3
State:	2.9	2.2

¹Participation rates are estimates since age group of students in 1975/76 is 18 years and under to 30 years and over.

Source: Census of Population, 1961; Accounts 1975 and Student Statistics 1975-76, Higher Education Authority.

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