

BOOK REVIEWS

Family, Economy and Government in Ireland by Finola Kennedy, ESRI General Research Series, Paper No. 143, 1989.

This book is, essentially, a compilation of existing research (particularly of the descriptive statistical kind) on the fortunes of the family in Irish society over the last 50 years, the family being defined as the marriage-based family. The analysis focuses on demographic trends, labour force patterns, the legal framework and the impact of government policies, particularly in the fields of social welfare and taxation, on the family.

The book is clearly written and is very accessible to the non-specialist reader. As it brings together data from disparate sources, especially in the economic, legal and demographic areas, it will be a useful source book for all those researching in the Family Studies field. Those who are specialist in particular areas of family research, however, will probably be familiar with the data presented in their own particular field. Although the author has ensured that the evidence presented is up to date, the book faces the same problem that all research works relying heavily on descriptive statistics are confronted with, namely, that its findings are likely to become dated within a short time.

Some of the most interesting data presented is in chapters 5 and 6; these are the chapters dealing with the effects of government policy, in the fields of taxation and social welfare especially, on the family. The author shows how all persons, single and married, have less disposable income relative to direct income in 1988 than they had in 1937 and how low paid workers with dependant children are especially disadvantaged under the present tax system. There is, unfortunately, little discussion on the impact of low pay or of unemployment on families, although it is clear from the conclusions that the author regards unemployment particularly as one of the major causes of inequality between families. The book concludes by proposing that a Family Affairs Unit be set up in the Department of Finance to develop policy in the area of Family-State relations; it also suggests better tax treatment for low paid workers with large families (no mention of improving the lot of similar families who are unemployed), the introduction of a carer's allowance for those involved in home care and a drive against unemployment.

Although the author does not formally proclaim any paradigmatic allegiance in her analysis of the data compiled, it is clear throughout the book that she endorses the traditional constitutional view that the family is 'the natural primary and fundamental unit group of society, and that families only exist where there is marriage. The author eschews theoretical debates as to what constitutes a family in a given culture at a given time; consequently, it is not at all clear to the reader what *sociological* interpretation of the family underpins the work. The conceptual parameters within which the author was operating could have been much more clearly delineated.

One of the most significant omissions in the book is the lack of any reference to property and capital as determinants of income in Ireland. One could come away from the book believing that almost everyone in Ireland was a PAYE worker and that all divisions rested within this sphere or between the PAYE worker and the unemployed. Also, it must be said that there are a number of value assumptions throughout the text which would be strongly challenged by feminist scholars — the most notable of these is the claim that Articles 41 and 42 of the Irish Constitution are among the most innovative: these are the articles prohibiting divorce and endorsing the view that a woman's place is in the home.

Despite the aforesaid limitations, I think the book will be a useful reference book for those who want basic statistical information about the family.

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Lloyd's Bank Tax Guide 1989/90 by Sara Williams and John Willman. Penguin.

This book is based on the 1989/90 UK tax code and represents a revision of previous publications by the same title published in previous years. For the most part, the book is written in "layman's" language and is easily understood. It is well presented and logically divided into 33 chapters dealing with various topics within the tax code.

However, the book (not surprisingly) deals exclusively with the UK code and so, has limited relevance to students or tax practitioners in the Republic of Ireland. It does not deal with Corporation Tax and its brief treatment of both capital gains and inheritance tax further limits the utility of the publication. The guide is predominantly a guide to the UK income tax system.

The book provides a concise description of the various provisions of the UK income tax code. Among the topics covered are the various methods of taxing the family, taxation of fringe benefits, starting and leaving jobs, pensions, life insurance and a useful guide to filling out tax forms.

On reading this book, the reader will quickly appreciate the many differences that have developed between the Irish and UK income tax systems. For example, in the UK for 1989/90 the income tax rate of 25% is applied to the first £20,700 of taxable income; in Ireland the rate of 32% applies to the first £6,100 of taxable income! However, the UK system of social insurance operates at different rates than in Ireland. For example, a UK employee may pay at the rate of 9% compared with a rate of 7.75% for which the Irish employee gets a special tax free allowance. On the other hand, the employers contribution in the UK rises to a maximum of 10.45% compared with 12.2% in Ireland. There are many other differences between the two income tax codes. Mortgage interest in the UK is repaid after deducting tax at source whereas in Ireland, mortgage repayments are made "gross". Moreover, mortgage interest is restricted with reference to the amount of the loan (£30,000) which is a more equitable system than Ireland which bases tax relief on the amount of interest paid, which in turn depends on prevailing rates of interest that cannot be controlled by the individual.

While the Lloyd's Bank Tax Guide 1989/90 has limited relevance to Irish residents, it represents a useful reference for students/practitioners of the UK income tax code.

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Transition from School to Work and Early Labour Market Experience by J.J. Sexton, B.J. Whelan and J.A. Williams. 1988. ESRI General Research Series, Paper No. 141.

This research report presents the results of an EC Commission survey conducted by the ESRI in the Spring and Summer of 1982 on the transition from education to working life. The questionnaire survey of 6,000 respondents sought to document the labour market situation of young people in Ireland aged between 15 and 24 who had left full-time education. The main results of the survey were presented in an earlier EEC report (Sexton, Whelan and Dillon, 1983), and the present report, in addition to replicating those findings, also includes information on the influence of a selection of socio-economic variables on earnings in the youth labour market.

As the authors themselves state "a significant proportion of the text of this report is essentially descriptive" (p. xv). The report begins by describing the depressed economic climate in 1982 (the time of the survey) and the characteristics of the youth labour force, with the authors observing that by 1986 unemployment among young people was 25.5% of the total youth labour force compared to an adult rate of 14.5%, thus underscoring the greater vulnerability of young people in a time of continuing economic crisis.

After a discussion of some of the methodological difficulties posed by the survey, in particular the influence of "cohort effect" on the aggregate data, the authors then describe the main research findings. Data is presented on the relationship between educational level, gender and age on youth unemployment and the differential rates which emerged for the various employment sectors and occupations. Describing the dynamics of establishing a foothold in the labour market, the survey found that the average duration of search for first regular job was 8.5 weeks. However, 50% had already secured a job prior to leaving school and a further 17% secured regular employment within four weeks of commencing their job search.

Personal contacts appeared to be a significant factor in securing employment, particularly for those who did not have a high level of formal qualification. This latter group also appeared to benefit the most from vocational training. Training was also found to be more economically beneficial for males at all levels of educational attainment compared to females, and particularly for those who had completed the Leaving Certificate. This survey thus provides further evidence of the structural impediments which females continue to encounter in the labour force, and the extent to which women continue to be discriminated against, both overtly and covertly.

It is significant that contrary to the 1984 OECD report, the Irish survey found that the majority of respondents left their first regular job for voluntary reasons. This leads the authors to offer as one interpretation the view that there appears to be a "somewhat cavalier attitude to job changing by young people in that they tend to quit prematurely, and without sufficient reason, and without allowing sufficient time for the accumulation of work experience and skills" (p. 115).

Overall, this report presents much rich descriptive statistical data about the youth labour force, and will be a useful source of information to policy makers in education, vocational training and employment planning. The significant contribution of the report is weakened, however, by the absence of a theoretical framework, as the authors for the most part allow the "facts" to speak for themselves. While this might be defended by arguing that the ESRI general research series tends to be policy oriented, the report also tends to fall short on that criterion. Other than making general recommendations, such as the need for retraining programmes, the authors do not engage in a critical discussion of the various policy options which might be pursued in order to support Irish youth to be competitive as they prepare to participate in the expanded labour markets of 1992.

More broadly, the survey itself also lacked comprehensiveness. Given the vast amount of money which the EC Commission invested in this cross-national project, it is regrettable that the opportunity to gather sociological and social-psychological data on the cultural dynamics of the youth population was missed. Data from such a large sample on young people's attitudes to, and expectations of work, for example, and how young Europeans view such issues as State intervention in the economy, the various manifestations of social and economic inequality, and the crisis of the welfare State, would have provided a rich historical record and given researchers an enviable data set with which to work.

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Pay, Politics and Economic Performance in Ireland 1970-1987 by Niamh Hardiman. Clarendon Press, Oxford, 1988, 0 19 827533 1, Price stg. £30.00, 278 pp.

Niamh Hardiman has written the first comprehensive treatment of centralised pay bargaining in Ireland from a social-scientific perspective. Dr. Hardiman's focus is on the seven national pay agreements and two national understandings negotiated by the 'social partners' between 1970 and 1980, though she also considers the Programme for National Recovery concluded between unions, employers and the government in November 1987 after five years of decentralised free-for-all wage bargaining.

By the close of the 1970s, in spite of repeatedly agreeing to centralised pay deals, and introducing a number of innovations in the features of the agreements, unions, employers and government had come to the conclusion that national agreements had achieved their objectives only to a very limited degree. Governments and employers had become sceptical of the degree to which unions had conceded pay restraint under the agreements. Likewise, both parties were concerned about the rising trend of industrial conflict from the mid-1970s and about the cost to the exchequer of financing the agreements' provisions on public sector pay and social policy. The unions felt that they had, indeed, accepted pay restraint but that this had not reduced inflation, led to further job creation, or resulted in a significant reduction in the tax burden borne by PAYE workers. At a more general level, it had become apparent that centralised bargaining had not decisively improved Ireland's economic performance during the 1970s, as was hoped by each of the social partners.

Dr. Hardiman examines in detail the objectives of successive national agreements and reviews a variety of secondary-source data to assess the impact of the agreements on wage trends, industrial conflict, economic performance, the wage structure, the public finances, inflation and employment creation. On effectively all indicators reviewed, the record is dismal. Most of the book is devoted to the attempt to identify the reasons for the limited efficacy of centralised bargaining in Ireland during the decade.

Dr. Hardiman's search is conducted with the aid of theoretical work in the general area of the political economy of economic concertation in West European societies. This literature is concerned with the institutional and socio-political concomitants of variations in economic performance; and, specifically, with identifying the conditions necessary for successful centralised agreements on pay and economic management between unions, employers and the state. The uninitiated may find this part of the book (Ch. 1) tough going: the so-called 'neo-corporatist' literature is replete with conceptual confusion and overlaps and, as Dr. Hardiman's review fairly acknowledges, leaves a number of its major questions unresolved. Drawing on this literature, Dr. Hardiman identifies what she takes to be the decisive factors in the limited success of centralised bargaining and 'tripartism' in Ireland. Her analysis emphasises the weakness of the peak federations of Irish unions and employers and consequently their limited capacity to concert their respective constituencies and to 'deliver on' their commitments under the central agreements. The structural problems arising from highly decentralised interest representation in the case of unions and employers were compounded by the constraints on the policies of successive governments. These constraints arose from the structural transformation of the Irish economy, on the one hand, and the character of the Irish political party system, on the other.

If unions are to successfully mobilise their members and bind them to a common policy oriented to improving macro-economic performance and social justice, they must be capable of persuading them to refrain from exerting their power in the labour market through sectional wage struggles. Unions that are centralised and that adopt a class-oriented approach to representing their constituency are best suited to the disciplines required for such an approach. Irish unions, divided by tensions between British and Irish unions and between unions of different types, lack the capacity to weld themselves into

an effective bargaining coalition. Sectional union pressure on wages expose weak employer solidarity, and the outcome is wage drift above national wage norms. Employers are an unstable coalition because their strategic response to immediate wage pressure is likely to be dictated by the varying bargaining conditions they face in different sectors of the economy. The rapid transformation of the Irish economy attendant on trade liberalisation further diversified Irish business and progressively weakened the concertative capacity of Irish employers.

Governments were constrained in their capacity to deliver on their commitments by the industrial policy to which the State was committed since the late 1950s. Investment decisions were in the hands of business and there were no strong public policy incentives to ensure that investment was geared closely with employment creation. The State had little ability to control inflation; in a currency regime (up to 1979) in which parity with sterling left Ireland open to UK inflationary trends, unions could have little faith in the doctrine that only by suspending their power in the labour market could real incomes be protected.

The party-political system was also ill-suited to effective and long-term centralised bargaining. In what, for this reviewer, was the most interesting chapter in the book, Dr. Hardiman shows that, given the absence of clear ideological differences between the major parties of government, governments in Ireland attempt to 'log roll' across a very diverse constituency. In consequence, there was a strong tendency to react to immediate pressures and 'do deals' with as many interest groups as possible, inevitably introducing inconsistencies and contradictions into government policies, and undermining the credibility and effectiveness of policy commitments in centralised agreements.

In the final chapter of the book, Dr. Hardiman describes the changed context of wage bargaining during the 1980s. The origins of the Programme for National Recovery are traced. Dr. Hardiman notes that in the modesty of its proposals the PNR differed markedly from centralised agreements between 1970 and 1980. The book was published, however, before the widely held consensus emerged that the PNR was a very successful central agreement. The fact that it achieved a larger measure of success than earlier central agreements underscores a point touched on in Dr. Hardiman's book that institutional and political constraints aside, the success of concertative agreements may also be contingent on such things as worker expectations regarding economic performance and other factors not systematically covered in the theoretical literature on neo-corporatism. It is interesting, in this respect, to compare the context and performance of the PNR with successful concertative episodes in the UK, such the successful incomes policy experiment of the late 1940s and early 1950s. When an economic or national crisis is perceived to exist, can unions, employers and the state effectively co-operate — perhaps for a limited period — even in spite of institutional and party-political conditions? It is to be hoped that Dr. Hardiman will return to her topic in the light of experience under the PNR and explore what may be learned from developments in wage bargaining in Ireland since 1987, both as regards the prospects for further experiments in centralised wage bargaining in Ireland and as regards the implications for the theoretical literature on neo-corporatism.

This book will become a standard reference in courses on Irish industrial relations. It should also be read by those interested in public and economic policy and by those who still believe that Ireland has a head-start in international trade and business because the country is ideologically homogenous and small, and thus easy to manage. Certain cherished nationalist myths, such as these, burn on the fire of Dr. Hardiman's lucid analysis.

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