Poverty in Ireland is frequently alluded to, by journalists, politicians, and social scientists. Though its existence is obvious and widespread, in fact not much is known statistically or analytically about Irish poverty; not only has there been little research on its incidence, characteristics, and causes, but in fact the requisite data base seems largely to be lacking. For instance, data do not even exist on the size distribution of income. A conference was held on “Poverty in Ireland” in Kilkenny on November 19–21, 1971, but its purpose was not really to present research results so much as it was to begin to establish some of the necessary preconditions to research: to raise conceptual and methodological issues, to determine what was known and unknown, to make plausible estimates where knowledge was currently impossible, and to take initial steps toward establishing research priorities. Building on this base, the Economic and Social Research Institute staged a one-day conference on Research Priorities on Poverty.

1. This is not to say that estimates have not been made. Most of these are found or cited in J. G. Hughes, “Some Aspects of Inequality in Income, Wealth, and Educational Opportunity in Ireland”, paper presented to the Social Study Conference, Falcarragh, August 6, 1972, Dublin: Economic and Social Research Institute (mimeographed).

2. The main papers, some associated position papers, and part of the discussion, appear in Social Studies, Vol. 1, No. 4 (August, 1972), virtually the entire issue of which is turned over to that material. The most important paper, “The Extent of Poverty in Ireland,” by Seamus Ó Cinnéide, attempts to estimate how many and, to an extent, which people in Ireland are poor, on the basis of the limited evidence available. This paper illustrates the difficulties in trying to carry on research where data are almost entirely lacking, and shows considerable ingenuity in making maximal use of what is available. Ó Cinnéide estimates that 24 per cent of the Irish population is poor, but considers his own estimate to be a minimum, and thinks the true figures to be closer to 30 per cent.
in Ireland, on April 18, 1972.³ Papers were presented which amounted, in effect, to “position papers” on poverty research. But there were no research papers as such, and there still remains little solid information or scholarship on poverty in Ireland.

Ireland can, of course, make some use of poverty research in other countries, especially the United States and the United Kingdom. Lacking its own data and research, there is a temptation to make judgements upon—and, somewhat dangerously, to base policy upon—a combination of impressionistic evidence of the Irish situation, and research and policy analysis of other countries. Either is an unreliable basis for national policy; the combination is probably little better than either alone. Dangerous as this approach may be in the formulation of policy, it is still more so simply to adopt the assumptions and policy programmes of other countries without careful scrutiny of the record of success or failure of such programmes. To put the matter bluntly, if for reasons of their own the United States persist in approaches to anti-poverty policy which have apparently failed, surely that fact should be taken into account before Ireland considers adopting an American-style “War on Poverty”.

The purpose of this paper is to review the success or failure of poverty programmes in America, and to relate this record to the priorities for research and policy analysis in Ireland. With a topic so broad, it is inevitable that we paint with a rather broad brush. It will be impossible to record the detailed qualifications to each statement. We concentrate on the rule, at the occasional expense of the exception.

It will be argued that in spite of a great many differences in detail, the problem of poverty in the US and Ireland are in essential aspects very similar; that the theory of poverty underlying discussion of research on, and policy against, poverty in the US is very similar to the assumptions held regarding poverty in Ireland, and that these are probably basically incorrect; that these faulty assumptions have led to failures in anti-poverty policy in America; and that they should not be permitted to do the same in Ireland.

We begin by comparing two competing theoretical conceptions of the causes of poverty in generally non-poor societies, such as Ireland and the United States.

TWO POVERTY MODELS

Most theories of the causes of poverty can be sorted into two alternative types of models, which we will identify for purposes of this paper as the “Case Model” and the “Generic Model”. These two differ in ways that are similar to the more familiar differences between “structural” and “aggregate demand” explanations of unemployment. Like these, the two poverty models are ideal types, and

³. The four main papers, and some of the accompanying discussion, are summarised in Brendan Walsh (compiler), Poverty in Ireland: Research Priorities, Account of One-Day Conference held in ESRI, April 18, 1972, Broadsheet No. 7, Dublin: Economic and Social Research Institute, October, 1972.
reality, while perhaps tending toward one or the other, is liable to be a mixture of the two. Most discussions of poverty in essentially non-poor countries seem to be based on the Case Model, as is most anti-poverty policy. Much research on poverty contributes, indirectly, somewhat subtly, and usually unintentionally, to credence in the Case Model. There are theoretical and empirical reasons, however, for believing that the Generic Model is usually closer to the truth.

The Case Model of Poverty

The Case-Model approach to a theory of poverty, usually implicit and probably often no more than an unconscious assumption, holds that poverty arises out of individual, though not necessarily personal, characteristics of poor people: intelligence, education, skill, handicaps, health, age, marital status, sex, religion, region of residence, family size, etc. Some would include attitudinal characteristics, sometimes called the “culture of poverty”, and especially time-horizon and work-orientation. Prof. John Kenneth Galbraith, who with only a handful of others must be given credit for the “rediscovery” of poverty in the United States, argued that two kinds of poverty persist in America, namely, “case poverty”, resulting from deficiencies in the individual—mental retardation, alcoholism, insufficient education, “excessive procreation”, etc.; and “insular poverty”, the existence of regional pockets of poverty, a product, in part, of the “desire of a comparatively large number of people to spend their lives at or near the place of their birth”. Both of Galbraith’s categories fall under what we call the Case Model, since both explain poverty in terms of individual, case-by-case characteristics, rather than by generic, economy-wide phenomena.

While explanations of the case sort attribute poverty to individual characteristics, these are often, but not always, individual defects. For instance, residence in

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5. Especially Dwight MacDonald and Michael Harrington.

an isolated, economically-depressed area is not necessarily always the fault of the poor person. More to the point, if race is a characteristic explaining poverty, it is not typically, because race is regarded as a personal defect, but because racial prejudice limits employment opportunities, or is associated with other "case" characteristics affecting opportunity. Nonetheless, in most interpretations, Case explanations do attribute poverty to personal defects, even in the examples just cited. With persistently poor areas, for example, it is often said that the "young and talented" have left, implying that the remaining population is less capable, and that their deficiencies help explain their circumstances. And with American blacks and other racial minority poor, their poverty is often attributed to non-racial individual characteristics, such as lack of education, or unwillingness to work, which are regarded as defects.

Except in cases of permanent dependency (age, handicap, etc.) where transfer payments and social services rather than anti-poverty policy are appropriate, case explanations lead to approaches to anti-poverty policy which are adjustive—designed to accommodate the system to persons. The following kinds of policies are obviously derived from the associated explanations of poverty:

<table>
<thead>
<tr>
<th>Explanation of poverty</th>
<th>Associated anti-poverty approach</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inadequate education or skill</td>
<td>Pre-school and in-school compensatory education programmes; out-of-school manpower programmes; etc.</td>
</tr>
<tr>
<td>Race or sex discrimination</td>
<td>Anti-discrimination programmes.</td>
</tr>
<tr>
<td>Residence in poor regions</td>
<td>Relocation of industry in these regions; and/or relocation of population away from home.</td>
</tr>
<tr>
<td>Alcoholism and narcotics addiction</td>
<td>Rehabilitation programmes.</td>
</tr>
<tr>
<td>Excessive family size</td>
<td>Family planning programmes.</td>
</tr>
<tr>
<td>Political weakness of poor, prejudice against them in legal system, victimisation of poor by merchants, etc.</td>
<td>Organisation of poor into trade-union-like interest groups.</td>
</tr>
<tr>
<td>Unwillingness of poor to work</td>
<td>Work requirements as a condition of eligibility for social services, transfer programmes.</td>
</tr>
<tr>
<td>Problems of adjustment, orientation, attitude, etc.</td>
<td>Social work casework.</td>
</tr>
</tbody>
</table>

7. There is a school of thought, however, which argues that there are genetic (including racial) differences in intelligence. See Arthur R. Jensen, "How much Can We Boost IQ and Scholastic Achievement?", Harvard Educational Review, Winter, 1969; Hans Eysenck, Race, Intelligence and Education. Jensen and Eysenck hold a distinctly minority point of view among scholars, however; we will not cite the many contrary studies.
The Generic Model of Poverty

The alternative model holds that poverty results from general, economy-wide economic problems, mainly inadequate employment opportunities, rather than from individual characteristics. Ireland, for example, "suffers from chronically high rates of unemployment and extensive disguised unemployment, mainly in agriculture". The most clear-cut examples of applicability of a Generic Model are in poor, underdeveloped countries where the poverty or the poor can hardly be said to derive from individual defects. In the US, as will be noted later, the amount of measured poverty is extremely sensitive to the rate of unemployment. The generic economic problems giving rise to poverty are not limited to outright unemployment, but include such components of "subemployment" as low labour participation rates, intermittent and/or part-time employment, and employment at low wages. For reasons unrelated to individual characteristics, there are only so many non-poverty jobs in the economy, and those who do not fill them will be poor.

The last statement will only be true only as long as the economic system and social policy do not work to spread the consequences of the generic economic problems more or less evenly over the entire population. For instance, suppose there is inadequate labour market demand. Hypothetically, one could posit a flexible, neoclassical sort of economic model in which demand inadequacy has the effect of reducing wages generally, rather than causing unemployment of a minority. A general wage rate which is 15 per cent lower, and a chronic (registered or unregistered) unemployment rate of 15 per cent produce strikingly different results as regards poverty. Even with a chronic 15 per cent unemployment rate, one could also posit a transfer-payment system under which the unemployed and subemployed would not suffer, relative to the employed, as a result of the economy's inability to provide non-poverty employment to them all. The existence of poverty arises not only out of certain generic economic problems such as inadequate labour market demand, then, but also out of characteristics of the overall economic system, and out of social policy.

If there are generic, economy-wide problems, and if the structure of the economy together with social policy translate these problems into poverty for some, who are liable to be poor? The incidence of poverty is determined in this model by the characteristics which, in the Case Model, cause poverty: education, location, race, family size, etc. For example, the least educated will tend to get worse jobs than the more educated, and to have higher unemployment rates. Note that the forces which only account for the distribution or incidence of poverty are likely to appear to be its causes. These forces are, in effect, causes of poverty at the individual, micro level. If a given number are to be poor, and a given number non-poor, an individual can keep from becoming poor by seeking more education, or moving from depressed to more prosperous regions. To the

individual, then, lack of education or living in a depressed region is a "cause" of poverty. But it is an example of the "fallacy of composition" (i.e., reasoning from the part to the whole) to assume that what explains poverty at the individual level also explains it in the aggregate.

Likewise, the success of some anti-poverty programmes may be apparent and not real. Suppose the graduates of an anti-poverty manpower training programme seem to have higher incomes and more stable jobs than a control group. This kind of evidence is often taken as showing the programme to be successful, particularly if the income gains, when discounted for time, exceed the time-discounted costs, so that the programme yields a benefit-cost ratio in excess of one. But if the Generic Model holds, then it would follow that every movement out of poverty by a graduate of such programmes is matched by a movement into poverty by a non-graduate. There is, in fact, some empirical evidence that manpower programmes typically do merely reshuffle employment opportunities in just this way, as will be noted later. Similarly, if the Generic Model holds, area redevelopment programmes, such as those emphasising Appalachia, distressed areas, and Indian Reservations in America, or the West generally and the Gaeltacht in particular in Ireland, have the effect of redistributing a given amount of employment, rather than creating new jobs.

The effect is similar to an examination system, under which pre-determined percentages pass and fail. At the individual level, passing or failing depends on intelligence, application, etc. But it would obviously be incorrect to conclude that the total number of failures is determined by the intelligence, application, etc., of the population sitting for the examination.

The Evidence

The difficulty in determining the extent to which poverty is caused by case and generic factors is illustrated by the problems one faces in attempting to interpret an ambitious, influential, and widely-quoted study, published first as an article and then as a book chapter under the name The Causes of Poverty by Lester Thurow.9 (To be fair to Prof. Thurow, it should be noted that his own approach and views seem to have changed, as will be seen later, since the publication of the work cited. Nonetheless, this study was and is influential and important.) Prof. Thurow took advantage of the availability, on a state basis, of rich quantities of demographic and economic data, to estimate statistically an equation explaining the differences in the incidence of poverty among the 50 states and the District of Columbia. "Poverty" is defined as less than $3,000 family income; individuals living alone are omitted altogether. It is assumed that the variables explaining differences in the incidence of poverty are the causes of poverty.

The results are given in Table I. Note the extremely high $R^2$ (adjusted for degrees of freedom) and the significance of each explanatory variable.

Thurow goes on to conclude that poverty can be reduced either by influencing the values of the independent variables (e.g. assuring that more heads of families manage to attain more than 8 years of education), and/or by reducing the coefficients (e.g., to reduce racial discrimination would presumably be to lower the value of the net coefficient of 0.1133 for percentage of families headed by non-whites; one would, of course, not try to reduce poverty by reducing the size of that variable itself).

**Table I: Thurow's Poverty Model**

*Dependent Variable: Percentage of Families below the $3,000 Poverty Line*

<table>
<thead>
<tr>
<th>Independent Variable</th>
<th>Net Coefficient</th>
<th>Standard Error</th>
<th>Significant at</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constant term</td>
<td>96.5125</td>
<td>23.1516</td>
<td>.01</td>
</tr>
<tr>
<td>Percentage of families on farms</td>
<td>0.2978</td>
<td>0.0978</td>
<td>.01</td>
</tr>
<tr>
<td>Percentage of families headed by non-white</td>
<td>0.1133</td>
<td>0.0544</td>
<td>.05</td>
</tr>
<tr>
<td>Percentage of families with no one in labor force</td>
<td>0.5410</td>
<td>0.1677</td>
<td>.01</td>
</tr>
<tr>
<td>Percentage of families headed by person with less than 8 years of education</td>
<td>0.4345</td>
<td>0.0480</td>
<td>.01</td>
</tr>
<tr>
<td>Percentage of population 14 years old and above who worked 50-52 weeks per year</td>
<td>-0.5368</td>
<td>0.1170</td>
<td>.01</td>
</tr>
<tr>
<td>Index of high-wage industry*</td>
<td>-0.7600</td>
<td>0.1978</td>
<td>.01</td>
</tr>
<tr>
<td>Dummy for Alaska and Hawaii†</td>
<td>-10.3777</td>
<td>4.8210</td>
<td>.01</td>
</tr>
</tbody>
</table>

$R^2 = 0.98$

*The ratio of the US median income in each industry to the general US median income is calculated. Then for each state, this ratio is multiplied by the percentage of the state's labor force in that industry. This is then summed for all industries for each state.

†The purpose of this dummy variable is to adjust for the facts that (a) percentage of non-white families is used as a variable; and (b) certain non-white races, particularly among Orientals, have a low incidence of poverty; and (c) these groups have a high incidence in Alaska and Hawaii.


Thurow's statistical results are consistent with either the Case Model, where it would (as Thurow believed) explain the causes of poverty, and with the Generic Model, where it would explain only the distribution of poverty whose causes lie elsewhere. And Thurow's policy conclusions are proper only if the poverty has case causes. That is, they do not necessarily follow from Thurow's statistical results. It should be noted that virtually all anti-poverty policy is implicitly based on the same case assumption. While one might be able to suggest modifications in Thurow's method which would make the results somewhat more meaningful in discerning between causes and distribution, the fact is that
the popular cross-section approach is of questionable value in making a judgement between the Case and Generic models, and therefore in explaining poverty.

Most poverty research, at least in the United States, is concerned either primarily or exclusively with determining and describing characteristics of the poor: age, sex, race, education, and especially, attitudes. While this research does not always (as Thurow's did) have the purpose of seeking the causes of poverty, and while there may be considerable merit in the work itself, it has the often-unintended effect of leaving the impression that the characteristics discovered are in fact causes. This effect is considerably enhanced by the large aggregate volume of such research. The point must be emphasised not because it is difficult but because it is so widely and thoroughly ignored: There is no necessary reason to believe that the characteristics of the poor are the cause of their poverty, even where, as in Thurow's model, they are strongly associated statistically with the incidence of poverty.

In order to determine whether the Case or Generic Model predominates, more indirect kinds of evidence will have to be employed. Much of this evidence points in the direction of the Generic Model. Among this evidence are some a priori considerations. The two basic requirements or assumptions of the Generic Model are, first, inadequacy of overall employment and other economic opportunities, or similar generic economic problems; and second, characteristics of the economic system (or of its several markets), in conjunction with those of its social policy (particularly transfer or welfare policy) which lead to unequal distribution of the effects of these generic problems. Both of these two requirements are met in countries, such as the United States and Ireland, with chronic minority poverty. This is not to deny the possible existence of case causes as well, but it does seem to suggest that generically-caused poverty does exist.

There is some empirical evidence, as well, but it is somewhat indirect. We will discuss it briefly.

**The Employment-Poverty Nexus in the US**

On both time-series and cross-section bases, there is a strong connection between unemployment and poverty in the United States. Lawrence B. Dewitt has shown that those with family incomes of less than $3,000 per year (the same crude "poverty line" employed in Thurow's model) have considerably higher average unemployment rates than do others: 10

\[
(1) \quad U_{phf} = 2.22 + 1.78 \ U_{ahf}
\]

\[
(2) \quad U_{pp} = 3.80 + 1.61 \ U_{ap}
\]

The significance of these results is suggested by the fact that the average overall US employment rate for the period since the Korean War has been approximately 5 per cent, a rate which suggests, by equation (2), an unemployment rate among poor people of 11.85 per cent. Dewitt presents other evidence to show that as unemployment rises and falls cyclically it rises and falls primarily among the low-income population.

Measured poverty in America (not only the crude $3,000 line but the somewhat more sophisticated official measure) is extremely sensitive to unemployment. Though there is a strong long-term downward trend, poverty has increased during every US recession and depression. Even in the recent slowdown in the American economy, which was mild enough hardly to merit the name "recession", when unemployment rose from 3.5 per cent to 5.9 per cent of the labour force (1969–1971), measured poverty increased by 1,500,000 persons. If poverty had continued to decline as it had throughout the 1960s (i.e., if unemployment had remained at or around 3.5 per cent), the decline during that period would have been 1,800,000 persons. The net difference, associated with the increase in unemployment, was 3,000,000 persons.

The most rapid reductions in American poverty appear to have occurred during wartime, with the exception of the second half (under the Nixon Administration) of the Vietnam War, and among these periods most rapidly during the intense boom during and immediately following World War II. The explanation is not any particular "anti-poverty programme" conducted during those periods, but rather that that nation needed the productive efforts of all its people, a fact resulting in tight labour markets, high population mobility, increases in occupational status of minority groups, and, during World War II in particular, a significant role for women as well. The strength of aggregate demand overcame many factors associated with case explanation of poverty and structural explanations of unemployment: the unskilled were hired, and trained on the job; blacks were recruited out of their stagnant, rural, Southern share-cropping and tenant-farming poverty, into mainly Northern, urban factory jobs; degrees and diplomas, age, and sex ceased to matter, and any workers were hired who could do the job or learn to do it.

Anti-poverty programmes of the past few years have been (or have appeared to be) much more successful during years of low overall unemployment than during slack periods, raising the question of whether the apparent good results

11. The US "unemployment rate" is obtained by household survey, and includes unregistered as well as registered unemployment, so it is not strictly comparable with Irish unemployment data. While it is a somewhat more inclusive measure, it is known to understate unemployment among blacks and other chronically disadvantaged groups. Moreover, it counts as employed anyone who worked during the survey week, even if he or she is only sporadically employed, worked only part-time, worked at below poverty wages, etc.

12. The "sophisticated" measure is itself fairly crude. The cost of minimum food needs is estimated and then multiplied by three, on the assumption that poor families spend one-third of their incomes on food. Size of family, region, and farm-nonfarm are taken into account.
are, at least in part, attributable to falling general unemployment rates, i.e.,
generic causes. An example concerns a large and widely-cited programme called
Job Opportunities in the Business Sector (JOBS), under which chronically-
unemployed poor persons are hired by private business and given on-the-job
training and work experience, for which the business can receive a subsidy from
the Federal Government of up to $3,000 per worker. The programme was
introduced in 1969, when the unemployment rate (3·6 per cent) was at a fifteen-
year low. In that year and the next (when the rate fell still further to 3·5 per cent),
there was a labour shortage in many areas, and employers eagerly hired and
trained the hard-core unemployed, especially where subsidies were available.
Enrolments in the programme peaked in 1970, when unemployment began to
rise, and then fell steadily during 1971, when it had, as noted earlier, reached
5·9 per cent. In short, JOBS looked like a good programme when and as labour
was scarce; when redundancies rose, more experienced workers were often
available, who were seen by employers on many counts as preferable to JOBS
enrollees.

Thurow’s Job Competition Model

Professor Thurow, mentioned earlier in connection with another study, has
recently offered a new theory of the relationship between education and income,
one which is a major departure from his own earlier work, and which revises
radically existing theory concerning that relationship.13 Thurow contrasts what
he calls the Wage Competition and Job Competition models of the operation
of labour markets, the former characterised as the dominant view, and the latter
offered as his own contribution.

It is hardly necessary to outline the wage competition model at length, since it
is well known, if not necessarily by that name. In brief, the theory is that

... wage competition ... is the driving force of the labor market ... People come
into the labor market with a definite, pre-existing set of skills (or lack of skills),
and ... they then compete against one another on the basis of wages ... Education
is crucial because it creates the skills which people bring into the market.

In the job competition model, by contrast, there are high-paying jobs and low-
paying jobs—not high-wage employees and low-wage employees. The way to
get high wages is to get a high-wage job. If some who do not have the requisite
skills and high level of productivity manage to get high-wage employment, then
they are trained on the job.

All of the quotations from Thurow in this section are taken from this source. See also Lester
C. Thurow and Robert E. B. Lucas, The American Distribution of Income: A Structural Problem, a
study prepared for the use of the Joint Economic Committee of the Congress of the United States,
In a labor market based on job competition, an individual’s income is determined by (a) his relative position in the labor queue and (b) the distribution of job opportunities in the economy. Wages are based on the characteristics of the job, and workers are distributed across job opportunities on the basis of their relative position in the labor queue. The most preferred workers get the best (highest-income) jobs. According to this model, labor skills do not exist in the labor market; on the contrary, most actual job skills are acquired informally through on-the-job training after a worker finds an entry job and a position on the associated promotional ladder.

Thus the labor market is primarily a market, not for matching the demands for and supplies of different job skills, but for matching trainable individuals with training ladders.

What, then is the role of education in Thurow’s job competition model? Briefly, it determines who gets the high paying jobs, on the basis of who can be most easily and cheaply trained to perform them.

In a labor market governed by job competition, employers rank workers on a continuum from the best potential worker (trainee) to the worst potential worker (trainee) on the basis of estimated potential training costs. (Such costs certainly include the costs of inculcating norms of industrial discipline and good work habits.) But because employers rarely have direct and unambiguous evidence of the specific training costs for specific workers, they end up ranking workers according to their background characteristics—age, sex, educational attainment, previous skills, performance on psychological tests, etc.

We might interpolate that employers may weigh other characteristics typically associated with poverty, especially race in the US (in the Six Counties, religion), together with indicators of trainability. The point is not that only education affects the distribution; rather, it is that the way in which it affects the distribution of income is through the labour queue.

Although education can affect the shape of the labor queue, this does not necessarily mean that it can change the actual distribution of income. This is a function, not only of the labor queue, but also of the distribution of job opportunities. An equal group of laborers (with respect to potential training costs) might be distributed across a relatively unequal distribution of job opportunities. After receiving the resultant on-the-job training, the initially equal workers would have unequal productivities since they would now have unequal skills. As a result, the distribution of incomes is determined by the distribution of job opportunities, and not by the distribution of the labor queue, which only determines the order of access—and the distribution of access—to job opportunities.

The principal evidence offered by Thurow is itself indirect and inferential. He cites the substantial increase between 1949 and 1969 in equality of education
attainment in America: the percentage of white males with only a primary education fell from 47 per cent to 20 per cent; that with no more than secondary education rose from 38 per cent to 51 per cent; and those with as much as a university rose from 15 per cent to 28 per cent. If an observer had been told, at the outset of this period, that these changes were to take place, his expectations about their effect on the distribution of income would have been quite different depending upon whether he held to a wage competition or job competition model.

Assuming there were no offsetting changes on the demand side of the market, the observer subscribing to a wage competition model of the economy would have predicted a substantial equalisation of earnings. But the observer subscribing to the job competition model would have predicted something quite different. He would have expected an equalisation of income within the most preferred group (college-educated workers), a rise in its income relative to other groups, and a decrease relative to the national average. He would have reasoned as follows: As the most preferred group expanded, it would filter down the job distribution into lower paying jobs. This would lead to a fall in wages relative to the national average. As it moved into a denser portion of the national job (income) distribution, it would, however, experience within-group equalisation of income. By taking what had previously been the best ... jobs [for secondary school leavers], incomes [of university graduates] would rise relative to ... incomes [of secondary school leavers].

Needless to say, the data bear out the “expectations” based on the “job competition model”. This evidence is not decisive. But there is other evidence, albeit impressionistic, that supports the same view. One example is the fact that liberal arts university graduates, whose degrees are in such areas as history, literature, and the visual and performing arts, when employed in business, government, etc., tend to have “returns” on their “investment” in education not significantly different from those of graduates of professional and technical programmes (except where the latter are in areas of temporary skill shortage). Another is the phenomenon of “credentialism”, where employers look to the attainment of degrees and diplomas, even where these are not relevant to the skill requirements of the position in question. Brendan Walsh, citing a paper by John Raven at the previously-mentioned ESRI conference, notes the increasing use in Ireland of educational qualifications to ration access to jobs. “Frequently irrelevant criteria were established as preconditions for jobs, with a view to excluding those who have not mastered these qualifications. The relevance of these qualifications to one’s ability to perform the job in question was more often than not undetermined. Thus a demand for ‘education’ is created, whereas what people really want is the chance to obtain certain jobs and access to avenues for advancement. For those who are incapable of mastering the formal educational criteria, jobs and avenues of advancement are permanently closed—even though their ability to perform the jobs in question might be quite high”.14 The resulting low position of those

with little education in the Irish "labour queue", and their associated low incomes, are better explained by the "job competition" than the "wage competition" model; and, to the extent that such factors explain poverty, that poverty is clearly not the result of case causes (characteristics of the individual), but rather generic ones. If the job competition model is correct, the implication is that differences in education do not cause low and high incomes: they help determine their distribution.

To the extent that that is true, raising the educational level of Irish workers will not reduce unemployment or poverty, though changing the distribution of education may change the distribution of unemployment and poverty.

**Sewell and US Manpower Programmes**

As of November, 1971, there were 566,000 persons enrolled in the ten largest US Federal Manpower Programmes, which are a major element in the War on Poverty. Most of these programmes train adults in job skills; most of the adults are "drop-outs" (i.e., did not finish secondary school), are unemployed, and have poverty-level incomes.

On the surface, at least, these manpower programmes seem collectively to be quite successful (though some, like the "Work Incentive Programme," are clearly failures, for special reasons inapplicable to manpower programmes). In evaluation studies, many of them have yielded benefit-cost ratios well in excess of one, meaning that the increases in incomes of graduates of the programmes exceed programme costs, when both are discounted whenever benefits or costs occur in the future.

An extremely competent and important, but little noticed study, by D. O. Sewell, has cast considerable doubt on the validity of these evaluation studies. *Sewell, while not using our nomenclature, takes note of the existence of Case and Generic Models. He raises the following specific question: If graduates of these manpower programmes have higher incomes than equivalent control groups, as in fact they seem to, does that fact mean that total income and output in the US has risen, and poverty has declined (an interpretation consistent with*


16. *The Work Incentive Programme was established in 1967 as a means of requiring public assistance recipients to accept employment, and is aimed primarily at husbandless mothers, as an effort to reduce the costs of public assistance rather than as an anti-poverty programme. A punitive programme, it seems to have been designed to validate the popular myth (discussed later in the present article) that many poor people are poor because they do not want to work. See A. Dale Tussing, "American Ideology and Anti-Poverty Policy", unpublished manuscript, Dublin and Syracuse, NY, 1973. The WIN programme seems to have had an effect on work orientation and attitudes perverse to that intended. See Goodwin, op. cit.*


the Case Model); or does it simply mean that income, employment, and poverty have been redistributed (an interpretation consistent with the Generic Model)? There are some a priori reasons for believing the latter is at least highly plausible. Those who supervise such programmes make an especial effort to place graduates in jobs, and employers, when faced with a choice between two otherwise equivalent applicants, one of whom is a graduate of such a programme and the other not, might be expected to prefer the former. Thus whatever the effect of these programmes on skills or productivity, they are certainly likely to move their graduates upward in the labour queue.

Sewell adopts the following test: if manpower programmes really increase worker productivity, then the hourly wages of graduates should exceed those of the control group; but if their effect is only to redistribute existing employment opportunities, then the higher incomes of graduates would be attributed only to average unemployment rates lower than those of control groups. Sewell then recalculates all existing manpower-programme benefit-cost studies. He includes as valid income gains only when wages (and presumably productivity) rose, and excludes income gains when only group unemployment rates fell. The effect was to lower the benefit-cost ratios of all previous studies to less than one. Sewell's confidence in his interpretation of the results as suggesting that manpower programmes simply redistribute a given volume of employment is augmented by his discovery that the income advantage of graduates over control population “decays” after two years or so, an effect unlikely if the programmes really had raised skills and productivity, but one quite consistent with a temporary job-finding advantage for graduates.19

Curiously, even though his recalculations of others' studies indicate benefit-cost ratios of less than one in all cases, Sewell's own study of a programme (in North Carolina) yields a ratio in excess of one. This programme was and is the only manpower programme which this rigorous test indicates to be a success.

Irish Emigration

None of this kind of evidence is available on Irish poverty. The data do not exist upon which a statistical model like Thurow's could be based. It is impossible to relate poverty over time to the Irish unemployment rate, not only because poverty data are lacking, but because only registered and not total unemployment figures are available. There is, as noted, impressionistic evidence to suggest that Thurow's "job competition" model applied in Ireland, but data associating income distribution with educational attainment are unavailable.

There is the indirect and quite circumstantial evidence of the considerable

19. Even Sewell's rigorous test is likely to overstate the success of these programmes. Graduates who are placed in better jobs as a consequence of enrolment and completion of a training programme might receive higher wages than a control group, as well as achieving lower unemployment rates, and still displace other workers who might have held or been candidates for the same positions.
The emigration of Irish workers, mainly to the UK\textsuperscript{20}. The existence of this emigration suggests that one's inability to find employment in Ireland is not (necessarily) attributable to personal defects or characteristics, but rather to the inability of the economy to provide sufficient employment opportunities. Because of the openness of the Irish economy \textit{vis-à-vis} that of the UK, and because Irish net emigration appears to depend, in part, on UK income and unemployment, poverty research may eventually find that the particular version of the Generic Model applicable in this country relates Irish poverty to generic economic problems in Ireland and the UK.

\textbf{Other Evidence}

Certainly some case poverty exists in all developed countries. There are persons with physical, emotional, and mental handicaps, and probably even those with attitudinal if not “cultural” characteristics ill-disposed to economic success. But it is astonishing the extent to which these are proving, in recent research, themselves to be results of poverty.\textsuperscript{21} Some characteristics which had been thought to be chronic and even genetic appear to respond to income gains. Whatever be the case with respect to handicaps, there will be persons who for reasons of advanced age are unable to earn above-poverty incomes. But even in these cases, it is proper to observe that poverty usually arises from inadequate earnings during one’s working life, i.e., inadequate savings, pension contributions, etc., and from inadequate income transfers from the currently employed, which could reflect either generic, economy-wide problems, or the character of social welfare policy, or both. Even the poverty of the elderly fits into a Generic Model.

The benefit of the doubt should, it is argued here, be given to the generic explanation. That is, one should not attribute poverty to individual characteristics as long as there is evidence of inadequate employment opportunity or other generic economic problems. Only when an economy has had and for several years maintained a substantially full-employment economy, where irrationalities do not exist which limit economic opportunities in ways other than through the lack of availability of employment, can the residual poverty be safely attributed to these characteristics.

\textbf{THE FAILURE OF THE US ANTI-POVERTY PROGRAMME}

While measured poverty has, especially in the 1960s, had a clear downward trend in the United States (in spite of temporary resurgence during recessions), this fact seems not to be a consequence of the vaunted War on Poverty, or of any of a number of related anti-poverty programmes not formally included under the


Office of Economic Opportunity (OEO), but rather of general economic growth, especially the continuous economic expansion and decline in the rate of unemployment throughout the 1960s. Whatever may have been their achievements in other areas, the anti-poverty programmes can be credited with little if any documented contribution to this reduction in poverty. Some aspects of the anti-poverty programme (such as Neighbourhood Legal Services) have been intended to reduce the exploitation and powerlessness of the poor, rather than per se to reduce poverty, though they arguably could have that effect indirectly. The success or failure of such programmes is not measured in terms of reduction of poverty, and in describing the War on Poverty as a failure, we do not have reference to them. Our concern is with programmes specifically intended to affect incomes of participants.

The “Education Strategy”

The vast majority of public resources and the heaviest public reliance, both within the official OEO “War on Poverty” and outside it, have been devoted since that “war” was declared in 1965 to an “education strategy” to solve the problem of poverty. Though this strategy has been an almost total failure, it continues virtually unabated.

It has already been noted that the most rigorous approach to evaluating manpower programmes has revealed only one probable success, of scores of such programmes. These manpower programmes are probably more successful on the whole, than the childhood and youth aspects of this strategy, which will be discussed briefly. Few childhood programmes can claim increases in measured intelligence which are sustained and statistically significant. One remarkable

22. While OEO programmes included the controversial Community Action Programme (CAP’s), Operation Headstart for pre-school children, and a variety of other education and training programmes, a number of anti-poverty initiatives were made around the same time wholly outside of the OEO, in traditional departments (ministries). The Manpower Development and Training Act, which dated from 1962 and had originally been concerned with other problems, was reoriented to deal with poverty, and it was and is the largest manpower programme in the nation’s poverty policy. The Department of Defence announced and carried out its so-called “Project 100,000,” in which 100,000 poor and disadvantaged men, who otherwise would have been rejected for induction into the armed forces because of physical or mental deficiencies, were conscripted into the army and given training in a trade. Title I of the historic Elementary and Secondary Education Act (ESEA) provided Federal funds for local school districts for use “educationally deprived” (i.e., poor) children, with allocations among districts based on the incidence of officially-measured poverty. The ESEA is administered by the Office of Education. There are many other examples of anti-poverty initiatives during the 1965-present period outside of OEO. Indeed, all of the action programmes originally placed under the OEO have since either been abolished or transferred from that Office to other departments in government.


24. Operation Headstart, for example, appears to be unsuccessful on this count, though there is controversy over the evaluations of this programme. See Lois-ellin Datta, “A Report on Evaluation Studies of Project Headstart,” presented at the 1969 convention, American Psychological Association; and “Review of Research 1965 to 1969 of Project Headstart”; both papers published
study shows how little has been gained from the thousands of millions of dollars devoted to pre-college compensatory programmes for disadvantaged children.25 The American Institutes for Research in the Behavioural Sciences, in a study conducted for the US Office of Education (Department of Health, Education, and Welfare), surveyed all available evaluation studies and reports on any such programme. Of over 1,200 evaluation reports reviewed, there was follow-up on 422, of which 326 provided detailed evaluation information which met the study’s standards. Of the 326, only ten met the majority of the project’s criteria for success. Admittedly, the remaining 316 were not necessarily failures. Instead, most were rejected because “their evaluation methodology was so inadequate that a conclusion about success or failure could not be drawn”.26 These evaluation studies at least provide no support whatever for the education strategy. Most of the programmes surveyed were experimental or exemplary in nature and purpose. The fact that their evaluation methodologies were so inadequate means that they could not serve the intended purposes, and thousands of millions of dollars were wasted.

Evidence from economic analysis also fails to support the education strategy. Benefit-cost studies have been applied to a number of pre-school and in-school programmes for the poor and disadvantaged, with almost uniformly negative results.27 Other studies have indicated that the dollar returns to education are much greater among the non-poor, particularly among whites, than among the poor, particularly among non-whites.28 These results are all consistent with those of the famous Coleman Report of 1966, one of the largest and most careful social science research projects ever undertaken, and with the more recent and equally widely discussed study by Jencks, et al., Inequality, both of which indicated that differences in educational resources do not seem to explain differences in educational outcomes among the disadvantaged.29


26. Ibid.


28. Harrison, for instance, finds that completion of the 12th year of schooling (last year in secondary school) is associated with an average addition of $694 to annual white incomes, and only $118 to that or non-whites, and with a reduction in annual unemployment rates of 4.0 percentage points for whites, and only 0.7 points for non-whites. Bennett Harrison, “Education and Under-employment in the Urban Ghetto,” American Economic Review, 62 (December, 1972).

One might quibble with one or another of these many studies that cast doubt on the efficacy of the education strategy, but their combined weight—uncountered by any important contrary study or evidence—seems totally destructive of the theory on which that strategy has been based. The question is really not whether the education strategy is a failure. The question is why it is a failure.

Most explanations have centred either on defects (insensitivity, rigidity, prejudice, etc.) in the schools (and school-like training programmes), or on defects (mainly problems involving intelligence and learning ability) of poor children.

Accusations and evidence of indifference, prejudice, and even hatred and hostility toward poor children in American schools has appeared, in diverse sources, such as best selling narrative accounts like Jonathan Kozol's *Death at an Early Age*, careful journalistic studies such as Charles Silberman's *Crisis in the Classroom*, and detailed scholarly studies such as Patricia Cayo Sexton's *Education and Income*. It would be difficult to survey many such accounts without becoming convinced that additional resources poured into a substantially unchanged American school system would do little for poor and disadvantaged children.

The question of intelligence and learning ability is an important and difficult one, and it is impossible to do it justice here. Poor children and, separately, non-white children, show IQ test results which are markedly inferior to those of non-poor and white children. While some of this difference may be attributable to the tests themselves (which are typically standardised on learning achievement of white, non-poor children), most authorities remain convinced that there is a real gap, and that it is important. One explanation is Arthur Jensen’s, that there are genetic (racial, etc.) differences in intelligence; but few psychologists seem to accept Jensen’s results as valid. More promising is a rising tide of studies showing low intelligence to be a result of poverty. First, it has been established, mainly by research since 1965, that malnutrition of pregnant mothers and of children up to age two can permanently impair intelligence. Second, a number of diseases and accidents to which poor people are particularly prone are strongly associated with retardation and low intelligence; so is inadequate prenatal medical care, a common problem of poor mothers. Third, physicians and other analysts are becoming increasingly concerned that lead poisoning—also a problem particularly linked with poverty, because of the tendency of ghetto children to eat paint chips that peel and drop from walls, woodwork, and furniture—may be causing irreversible

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brain damage among American children in the hundreds of thousands. These three comprise poverty-related, non-genetic, organic sources of low intelligence. Some analysts would add a non-organic source: so-called “environmental deprivation”. Mental development requires sensory and intellectual stimuli, of which poor children are often deprived, particularly if there are many children, and/or if there is only one parent present (both of which are statistically associated with low intelligence). It is not clear whether the effects of environmental deprivation are reversible.

Most of these findings are based on research which is fairly recent. But one important study, concerning the Osage Indians in the US, has been available for three decades. The Osage people, who were desperately poor, had had one of the lowest measured intelligence levels of any group tested in America, well below that of blacks and other disadvantaged groups. Then oil reserves were discovered on their reservation, converting them from among the poorest to among the wealthiest of American Indian nations. Their measured intelligence soon rose to equal national norms.

This body of research suggests that there may be two levels of “success” for programmes in an education strategy against poverty. At one level, a programme would be regarded as successful if graduates can be shown to be more successful—in intelligence, income, or any other measure—than a control group of comparable persons who did not enter the programme. Such a successful programme could be regarded as reducing poverty only if and to the extent that a Case Model were applicable. It would be regarded as redistributing poverty if and to the extent that a Generic Model applied. Most US programmes in the education strategy do not meet even this standard, however. At the other level, a programme would be regarded as successful only if it met the requirements of the first level, and if it could be shown that escape from poverty on the part of these graduates was not matched by increase in poverty among others. Almost no anti-poverty education programmes in America have met this rigorous standard.

Non-Education Approaches

While most of the American “War on Poverty” has involved one application or another of the education strategy, it is nonetheless important to discuss here two recent non-educational approaches to the problem, the “workfare” approach and the “civil rights” approach. The two are based, in different ways, on the social and political ideologies of different, though overlapping groups. Indeed, the character of American anti-poverty policy has been subtly and powerfully influenced by ideology, a fact which helps account for its failures.

"The greater the emphasis in a society upon the availability of 'equal opportunity for all'," concluded Professor Robert E. Lane, in an important in-depth study of the ideology of working-class American men, "the greater the need for members of that society to develop an acceptable rationalisation for their own social status". Beyond this, there is a need, particularly among non-poor members of such a society, to develop an explanation and justification for the well-publicised and widespread existence of poverty in particular, and inequality in general. Continued belief in the existence of equal opportunity is tenable in a society in which many are chronically poor only if one attributes the poverty to personal shortcoming and lack of merit. The non-poor person can comfortably attribute the poverty of the poor to circumstances of birth, discrimination, and the like, rather than lack of merit, only if he attributes his own freedom from poverty to fortunate circumstances of birth, discrimination in his favour, etc., rather than merit on his part. Since most people find this package unacceptable, they are led to accept the "lack of merit" explanation. The need to explain poverty becomes the need to justify it.

If Americans are asked to explain the main causes of poverty in their country, the answers will be diverse, some based on prejudice, some on observation, some on personal experience. There are two explanations, however, that are offered regularly enough to constitute a kind of "popular theory of poverty": lack of education and training, and unwillingness to work. Both related, though in different ways, to personal defects. Both fall under case explanations of poverty. As has been noted, most American anti-poverty programmes since 1965 have been based on the first; the Nixon Administration, since entering office in 1969, has come increasingly to emphasise the second, in the "workfare" approach.

The word derives from a 1969 address by President Nixon proposing sweeping changes in public assistance, in which he announced an intent to "abolish" the system of "welfare" and substitute one of "workfare". The neologism was the President’s way of emphasising an increased emphasis on work requirements as a price for assistance. In the President’s plan, able-bodied adults would have been required to accept jobs (or, if they lacked suitable skills, job training), or lose benefits, unless they fit into one of the following categories: ill, incapacitated, or aged person; "caretaker relative"—usually mother of a child under 6; mother where father is present; caretaker of ill household member; or full-time worker. The major change in the foregoing was the new requirement that mothers in fatherless homes work, unless there were pre-school children in the home.

The proposed Family Assistance Plan, of which "workfare" was a part, was finally rejected by the Congress in 1972, but a similar approach to work requirements has been introduced in legislation at the state level, and in Federal legislation

37. Tussing, "American Ideology and Anti-Poverty Policy".
38. Lane, op. cit.
regarding eligibility for food subsidies. An effort is being made to apply it in other welfare programmes for the poor. But the principal statutory application to date of the underlying theory that poor people don't want to work is the Work Incentive (or “WIN”) Programme. This legislation, adopted in 1967, predates the Nixon Administration which is consequently not responsible for it (Congressman Wilbur Mills, a Democrat, is its author), but the Nixon Administration successfully sought a “toughening” of the Act in 1971, and has embraced it fully. This legislation, like President Nixon's own “workfare”, is aimed mainly at women. Employable parents in the public assistance programme “Aid to Families with Dependent Children” (AFDC), who are primarily heads of female-headed families, can be required either to accept employment or training, or lose assistance.

Why the emphasis on putting mothers to work? One explanation is that the popular theory of poverty holds public assistance rolls to be filled with lazy adult men who refuse to work, and the public demands that they be required to take jobs. Legislators, pandering to this popular ignorance, put to work those who really dominate the assistance rolls: widows, deserted mothers, mothers whose husbands are imprisoned, etc.

The WIN programme has been something of a disaster. Though millions of mothers have been screened for referral, and hundreds of thousands placed in the programme, only about 20 per cent of these have been placed in jobs which they held as long as 90 days; and many of these have not stayed much longer. Given the ordinary turnover in assistance rolls, a great many of those placed in jobs would have taken jobs anyway. Moreover, research indicates that the net overall effect of the WIN programme has apparently been to weaken motives of poor women to work, rather than to strengthen them.39

The principal problem with all such “workfare” approaches is that the popular theory of poverty upon which they are based has no scientific or objective support. Recent research on the subject is fairly conclusive. Leonard Goodwin, reporting on a multi-year Brookings Institution social-psychological study of work orientations of the poor, involving a survey of more than 4,000 persons, and careful checks on consistency and reliability of response, interviewer bias, and the effects of chance, concludes,

Evidence from this study unambiguously supports the following conclusion: poor people—males and females, blacks and whites, youths and adults—identify their self-esteem with work as strongly as do the non-poor. They express as much willingness to take job training if unable to earn a living and to work even if they were to have an adequate income. They have, moreover, as high life aspirations as do the non-poor and want the same things, among them a good education and a nice place to live. This study reveals no differences between poor and non-poor when it comes to life goals and wanting to work.40

40. Ibid.
The “civil rights” approach is related to, but not part of, the anti-poverty programme per se. Much more solidly based on demonstrated empirical fact, this approach takes as its point of departure that a great many racial minority poor—blacks, Americans of Mexican and Puerto Rican extraction, American Indians, etc.—are poor in large part because of racial discrimination in employment. A variety of state and Federal agencies have been established to reduce employment discrimination, and their efforts are among other things expected to have the effect of raising average income among the affected minority groups. Whether the approach is to a significant degree having this intended effect is unclear.41

This approach is mentioned here because of its divergent implications depending on whether a Case or Generic Model is assumed. There are probably a handful of instances in which Case poverty arises out of racial discrimination. For example, if a black farmer is denied adequate credit or access to markets, his output and income will be affected; improvements in these through a civil rights programme could raise aggregate income and reduce poverty. Similarly, employers from time to time may refuse to fill an open position, where minority group members are the only applicants. But these are undoubtedly exceptional circumstances. Rather, the typical effect of racialism on income and employment is likely to occur through its influence on positions in Thurowan “labour queues”—that is, through influencing the distribution of given jobs, and given amounts of poverty and unemployment.

So much has apparently been sensed by many non-poor, white workers, who resist civil rights legislation and enforcement precisely because they assume that a Generic model applies, and that any economic gains for minority groups arising out of civil rights action come at the expense of whites. Civil rights action in the absence of job creation or similar policies aimed at generic causes has the effect of increasing inter-group hostility. Indeed, trade unions in the US have often opposed manpower training programmes in certain skills, where it was feared that enrollees would come to compete for a limited amount of jobs with trade union members; as a consequence, many manpower programmes have limited themselves to training for such peripheral occupations as filling station attendants. One might expect similar resistance and inter-group hostility if civil rights activities promised for the Six Counties in the British Green and White Papers are not accompanied by wide-scale job-creating programmes. Protestant workers will rightly perceive that equalisation in a zero-sum situation must be at their expense.

41. The evidence on this is ambiguous. Black Americans seem to be escaping poverty at a somewhat slower pace than whites. In 1939, 53 per cent of black persons were classed as poor; by 1972 their incidence of poverty had fallen to 33 per cent. By comparison, the incidence of poverty declined over the same period from 18 per cent to 9 per cent among white persons. However, over the same period, the median income of black families rose as a per cent of that of white families from 51 per cent to 59 per cent. Some of this increase may be attributable to civil rights action, but data indicate that much of it is attributable to a more rapid increase in the percentage of black and white families in which both husband and wife worked.
IMPLICATIONS FOR IRELAND

The central implication for Ireland is that this country should not repeat the mistakes of America, in research or in policy concerned with poverty. The American mistakes in policy are clear enough: the “War on Poverty” has consisted, in the main, of efforts to redistribute existing quantities of employment and unemployment, affluence and poverty, and it has often been unsuccessful in doing even that, partly because of resistance on the part of those who might be injured by such redistribution. The government persists in policies which have little support from empirical research and analysis, apparently largely because these policies conform with ideology and the need to rationalise, in the psychological sense.

By contrast with its poverty policy, American’s poverty research is quite good. Nonetheless, at its best, it has had two serious faults. It has in the main failed to distinguish between case and generic explanations of poverty, and implicitly assumed the applicability of the former. Irish poverty research must seek to distinguish the two, if not in research methodology itself, then at least in the interpretation of results. Early in this paper, it was argued that, in spite of many differences in detail, the problems of poverty in the US and Ireland are in essential respects very similar. What was meant was that in both, generic causes appear to predominate over case ones, i.e., that poverty in both countries arises mainly out of inadequate job opportunities and similar economy-wide problems. It was also argued early in this paper that the theory of poverty underlying most discussion of, research on, and policy against poverty in the US is very similar to the assumptions commonly held regarding poverty in Ireland, and that these are basically incorrect. What was referred to is obviously the case model of poverty. Research in poverty in Ireland should take as a central task determining whether these hypotheses are valid.

The second fault of American poverty research is that its heavy concentration on research into characteristics of the poor has led, as a byproduct, to the conclusion that these characteristics are the causes of poverty. Sometimes researchers themselves, unconscious of the difference between generic and case causes, have made this faulty interpretation themselves. Sometimes that interpretation has been made by the audience of scholars, students, policymakers, and the public. While this kind of research is essential, in Ireland as in the US, its presentation must be such as to make clear that characteristics and causes are two separable matters.

One final implication for Irish poverty research is suggested by the American experience. As noted, American policy seems to have been shaped as much by ideology as by reality, and that ideology itself has contained large elements of myth. Perhaps because poverty has been for so long the lot of the many rather than the few in Ireland, this country seems less affected by this kind of self-serving mythology, and less preoccupied with justifying poverty in the guise of explaining it. It should be a function of poverty research to maintain this situation—to present the facts clearly before such mythologies develop and spread—e.g., before...
poverty becomes widely to be attributed to an unwillingness to work. One only has to consider the example of the Travelling People to understand how myth and prejudice can distort behaviour and policy regarding disadvantaged minorities. Without a solid factual basis, not only for policy but for public understanding, the same fate could easily befall all the poor in Ireland.

Not surprisingly, the most promising approach to reducing poverty in America seems to be government job-creation. While this necessarily entails deficit finance (tax-financed job creation programmes would presumably merely alter the distribution of employment), the inflationary impact can presumably be limited by addressing the employment programme directly to the characteristics of the poor. That is, the inflation generated per job created is presumably greater for general, aggregate demand-augmenting programmes (such as tax reductions) than for programmes which seek out and employ the unemployed and other poor. In Ireland, presuming that some significant component of poverty is of the generic sort, there are much greater obstacles to a programme of direct, government job creation than there are in the US. If it is determined that significant job-creation in Ireland is not feasible, then perhaps the government and the people of Ireland should consider transfer payments to those whom it is unable to provide with above-poverty jobs, at levels that substantially reduce inequality (i.e., at levels that share and spread the costs of the society’s inability to provide adequate employment opportunities).

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