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ON TWO ASPECTS OF POST-WAR IRISH EMIGRATION

Cormac O Grada

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ON TWO ASPECTS OF POST-WAR IRISH EMIGRATION

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Preliminary draft not for quotation. Thanks to Damian Hannan for the data on which Part I is based, to Des Norton and Brendan Walsh for comments, and to Joel Mokyr for considerable help in processing the data.
For a while in the 1960s and 1970s, it seemed as if the issues raised in this paper were becoming of historic interest only, for Ireland at least. For the first time in over two centuries Ireland had switched from being a net supplier to net receiver of migrants. Since the early 1980s emigration to Britain has become significant once more, however, and promises to grow. For Britain, too, migration had receded as a policy issue by the 1970s: the gross annual intake is now only half the level of the early 1960s, and emigration exceeds immigration by a substantial (and apparently growing) amount. However, as the outflows from both countries increase, and with the prospect of greater internal migration within an enlarged European Community in the future, the issue of labour migration promises to become topical once more. This paper is an examination, using post-war Irish data, of issues which often crop up in discussions of migration.

Those who believe in the economic benefits of immigration often stress the drive and industry of the migrants. Such qualities, they argue, may be important enough to outweigh even any short-run pressures that the movement might have on the labour market (Simon, 1981, 1982, 1984; Roback, 1981). Opponents of emigration make the same argument in reverse. To take a case in point: the notion that the millions who left Ireland to live and work elsewhere over the last two centuries were in some sense 'different' or 'better' that those who stayed is almost as old as the movement itself (see Mokyr and Ó Gráda, 1982;
Lynn, 1968). It has an intuitive ring to it too: the get-up-and-go action of the emigrants and their frustration with prospects at home might easily be taken for ambition, lower risk-aversion, or even brain-power qualities allegedly in poor supply among the labour force at home. 'Better' can hardly have meant skills and wealth, it is true, since Irish emigrants have almost always been predominantly poor and unskilled (Fitzpatrick, 1984). It is the outflow of other qualities that is at issue, elusive qualities that are almost impossible to measure or trace in retrospect.

Stated in another way, the determinants of migration at the micro or individual level are difficult to pin down. A priori, the notion that those with talent and ambition should leave seems like a simple application of the principle of comparative advantage. Yet this assumes that the decision to migrate is purely an individual matter. If parental choice or family obligation play a part, it is not difficult to think up scenarios where parents might keep their more talented children at home.[1]

Previous studies of the determinants of Irish emigration have focused on aggregate flows, wage

[1] Suppose parents seek to equalize the expected lifetime disposable incomes of their children: a belief that their abler children will not help the rest might militate against 'quality' emigration (compare Becker, 1981: 124; Ben-Porath, 1982: 9-10). If, instead, risk avoidance is the family's main preoccupation (Stark and Levhari, 1982), the outcome would depend on the relative earning power of the able and less able children and its variance at home and abroad.
differentials, and information aspects [e.g. Walsh, 1974; Keenan, 1981]. Micro data have been less scrutinized. Even the official and long-lived Commission on Emigration (1948-54) failed to consider such data, and as a result was equivocal on emigrant 'quality' (Commission, 1956: 141).

The first part of this paper presents an analysis of a small but unusual data set from Ireland in the 1960s that may have some bearing on the problem then.

Part II looks at another old chestnut in the debate about emigration, the extent to which the sending country loses out due to the life-cycle pattern of the outward flow. The notion that Ireland lost by exporting "instant adults" to foreign labour markets is an old one; here post-war Irish emigration is analysed from this perspective.

I

Our microdata are questionnaire-based responses from a sample of 271 young people, mainly teenagers, living in a "typical rural community" in County Cavan in 1965, when most of the respondents were still at school. The information obtained includes a good deal on family background, economic status, and attitudinal detail. In addition, a back-up survey taken in 1968 gives the migration history of the subjects in the interim. In the mid-sixties the area around Cavan, a border county, was - and still is - among the poorest in Ireland. The county's population had plummeted by fifteen percent during the 1950s, and was still falling
in the mid-sixties. Emigration was the culprit, and of the subjects analysed by the questionnaire in 1965, 137 or just over half had left the survey area by 1968.

The data formed the basis for Damian Hannan’s *Rural Exodus*, one of the outstanding works of post-war Irish social science (Hannan, 1971). Hannan’s analysis of the factors accounting for migration and emigration from Cavan contains crosstabulations and correlations based on over seventy variables. The wealth of specially constructed behavioural and attitudinal variables bespeaks the sociologist at work, but possible ‘economic’ influences such as family size, education, income, and occupational status are not neglected either. The study highlights the role of factors such as job frustration and community satisfaction, and analyzes the differences between actual and intended migratory behaviour. The focus of this short paper is a little different. Given the qualitative response aspect of the topic at hand - whether to migrate or not to migrate - the data seemed an obvious invitation to seek out those variables which help predict those who left, and the application therefore of the LOGIT or some related model. Domenich and McFadden (1975) is a classic example of this technique in action, while Hoffman (1984) provides an application to historical data. For an excellent survey, see Amemiya (1981).

Not all of Hannan’s variables could be used in our analysis - information on some of them being collected only in the follow-up study in 1968, for example - but an outline
of those used follows. They are fully described in Hannan

Variables used in the regressions

SEX  0=male, 1=female
AGE  0=15 years, 1=16, ..., 8=23+
EDUC from 0=primary only, to 9=university or better
CHFAM number of children in family
BORDER Birth order
NOUTSIDE sibs outside who could sponsor
OCCVAR occupational variability
MOTHATT Mother's attitude towards 'units' at home. Guttman scale, plus to negative, 6 to 0.
JOBS number of jobs held by respondent
STATJOB1 occupational status of father's first job; from 0=higher professional to 9=no job
STATJOB2 occupational status of father's current job; coded as STATJOB1
MOTHXP 0=low to 3=high; Guttman scale
INCFRUST 0=none to 2=lots
COMMSAT scale from 0 (high) to 9 (low)
FAMOBLIG from 0=low to 3=high [1]
EDUCSIB siblings' education (coded like EDUC)
CHWKG other children working
YF father's income. Coding was from 1 (to £208 per annum) to 8 (over £1041 per annum).

[1] For instance subjects with FAMOBLIG=2 worked at home in the evenings, and family did not depend 'a great deal' on their help, but they could not be replaced 'very' or 'somewhat easily' (Hannan, 1970 : 59-60).
Logit analysis was applied to the data, setting the dependent variable at one for those who migrated, and at zero for those who stayed in Cavan. The results - a cross-section of those estimated - are presented in Table 1. The best of them are not bad by the usual criteria; they manage to correctly predict three-quarters or so of stayers and movers, against a random probability of one-half.

A few comments on the parameter estimates are in order:

(i) The consistently positive coefficient on EDUC suggests that education made people more likely to go. Whether this is because schooling increased the desire to leave, or was merely part of the preparation for emigration, is a moot point (see Hannan, 1970: 20-21, 108-120).

(ii) As common sense predicts, the prospect of help from relations who have already emigrated (NOTSIDE) increases the likelihood of moving. Studies using aggregate data (e.g. Walsh, 1974) highlight this point.

(iii) In macro models of migration, income differences between sending and receiving areas are typically the major determinant of the migration rate (see e.g. Walsh, 1974). Here, however, the coefficient on family income is very small, and insignificantly different from zero. This could be a reflection of the rather crude data. However, why income should have affected the migration decision of rich and poor in the sending area differently is not evident a priori. On the other hand, those whose parents had
### ESTIMATED LOGIT EQUATIONS

(t-statistics in parentheses)

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<td>(1.249)</td>
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<td>(2.169)</td>
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LLF = log of likelihood function
LRT = likelihood ratio test
\%0, \%1 = percentage of stayers and of migrants correctly predicted.
(iv) Other variables to 'disappoint' included OCCVAR, CHFAM, BORDER, and COMMSAT. A significant coefficient on BORDER might have indicated some tendency towards primo- or ultimogeniture: the outcome is consistent with random selection of an heir (compare Ó Grada, 1981). A positive coefficient on CHFAM might have been expected for "malthusian" reasons, while COMMSAT has the wrong sign.

(v) The attitudes of mothers regarding opportunities at home and migration expectations are powerful predictors. This suggests the importance of parental choice. Yet here again a caveat is in order. Could it be - the data cannot help us here - that mothers were internalizing the aspirations of their offspring? FAMOBLIG, the perceived family obligations variable, was also generally significant.

(vi) Whether, overall, the power of kinship variables means that brain- and other drains may have been stayed somewhat cannot be determined from this evidence. It does suggest, however, that the study of post-war migration should not ignore the joint decision making aspect. Perhaps in the nineteenth century, when migrants were older on average, an 'individualistic' approach would be warranted, yet even there the importance of emigrant remittances bespeaks family choice and loyalties. At least this opens up a new line of inquiry.
In a rather startling contribution over a decade ago Larry Neal and Paul Uselding claimed that immigration contributed as much as one-fifth of all United States capital formation between 1780 and 1860 (Neal and Uselding, 1972). More recently Blitz (1977) has argued that savings on subsistence and educational outlays due to immigration were worth 12 percent of net investment to West Germany between 1960 and 1973. The argument and empirical approach of these studies go back much further. But if gains accrue to the receiving country, doesn't the sending country suffer analogous losses? The point was not lost. Eamon de Valera, Ireland's foremost post-independence politician, who stated in 1928 (de Valera, 1980: 154):

The producing part of our population is being driven out by emigration. What would naturally be the producing part of the population - the young and the able bodied people - are being driven out by emigration, and we have to carry on the service of education to deal with the young people and the service of old-age pension for the older population. We are spending on education, say, $4.5 million per year and we must remember that we are doing that largely for the benefit of foreign countries. We are saving the American people, who get a larger proportion of our younger people than other countries, the cost of education that would fall upon them if they had to educate their young citizens (de Valera, 1980).

Alfred Marshall's academic perspective on the question is also worth citing:

Many estimates have been made of the addition to the wealth of a country caused by the arrival of an immigrant whose cost of rearing in his early years was defrayed elsewhere, and who is likely to produce more than he consumes in his country of adoption ... [We] should calculate the value of the immigrant ... [by] "discounting" the probable value of all the future services that he would render ... and deduct from them the
sum of the "discounted" values of all the wealth and direct services of other people he would consume ... or again we might estimate his value at the money cost of production his native country had incurred for him ... Both of the suggested methods of valuation are open to great objections when used as the basis of a public policy with regard to immigration ... But they are much less misleading when applied to estimate the injury done to a country, such as Ireland, by the loss through emigration of a great many young people, whose bringing up has cost the country much, and who if they stayed would have produced more than they consumed ; while the old and infirm stay behind to consume more than they produce (Marshall, 1898, pp. 647-8).

The implicit model is of a life-cycle earnings pattern where individuals initially consume more than they produce, then go through a productive phase and finally live that long another period of dissaving. For viability the representative individual must spend just what she saves over the life cycle. This amounts to assuming a stationary economy close to full employment (Mokyr and Ó Gráda, 1981; Bourguignon, 1977: 190). Now if the expenditure of emigrants were the same as that of the community, the net effect of the life-cycle on sending and receiving countries would be nil. That typically is not the case, however, and hence the calculations. Now, as Marshall implies, there are conceptual and practical difficulties associated with such calculations. Some of these will be discussed later. Meanwhile, it may be useful to provide a rough estimate of the loss from this "life-cycle" effect of post-war Irish emigration. Suppose all emigrants left at 18 years of age, a simplifying assumption that should not introduce too much distortion. Suppose too that they had contributed nothing before they had left. This is a little unreasonable, but
the rest of the calculation is probably biased the other way. Then what needs to be measured is the present value of the emigrants' consumption or costs of upbringing at the time of departure, or:

$$C = \sum_{i=1}^{18} C_{i} (1+r)^i$$

where $C_{i}$ is the cost in the $(18-i)$th year.

Let us approximate $C_{i}$ by $a_{j} W_{j}$, where $a_{j}$, $j = 1, ..., n$, is an adult equivalence scale for age $j$, and $W_{j}$ is the wage of an agricultural labourer in the year when child is $j$ years. The wage is adjusted for price change. Since agricultural labourers were probably the worst paid workers in Ireland during the period reviewed here, using their wages helps keep our estimates cautious. The equivalence scales used are those in McClements (1978: 102). The calculation therefore is for

$$C = \sum_{i=1}^{18} a_{i} W_{i} (1+r)^i$$

What discount rate to pick is always a problem. A case can be made for no discounting, but the estimates below calculate the loss for $r = 0, 2$, and $5$ percent. For the emigrant flow at selected dates in the post-war period they produce losses ranging from £512 (at 0 percent) for an emigrant leaving in 1950 to £6679 (at 5 percent) for an emigrant leaving in 1975. Aggregating the loss as a percentage of national income gives the the following:
Table 2: Life Cycle 'Loss'

<table>
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<th>YEAR</th>
<th>GNP</th>
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<th>2%</th>
<th>5%</th>
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<td>400</td>
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<tr>
<td>1955</td>
<td>549</td>
<td>1953-57</td>
<td>44.2</td>
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<td>8.7</td>
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<tr>
<td>1960</td>
<td>676</td>
<td>1958-62</td>
<td>30.1</td>
<td>4.3</td>
<td>5.0</td>
<td>6.3</td>
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<tr>
<td>1965</td>
<td>1020</td>
<td>1963-67</td>
<td>16.7</td>
<td>2.2</td>
<td>2.6</td>
<td>3.2</td>
</tr>
<tr>
<td>1970</td>
<td>1649</td>
<td>1968-73</td>
<td>3.6</td>
<td>0.4</td>
<td>0.5</td>
<td>0.6</td>
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<tr>
<td>1975</td>
<td>3749</td>
<td>1973-77</td>
<td>-13.6</td>
<td>-1.7</td>
<td>-1.9</td>
<td>-2.4</td>
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The losses as calculated above seem substantial, but the story does not end there. Emigrants' remittances are an obvious consideration: perhaps the investment repaid for itself in that way? If our calculations are anywhere near the truth, remittances went some considerable way towards meeting the loss from the life-cycle effect, being worth a quarter to a third of the loss in the 1950s, a third to a half in the 1960s. Income from tourism by emigrants and their relatives must not be neglected either (see Department of Finance, 1958: 199; National Economic and Social Council, 1982: Table X). Taken together, as Table 3 shows, these items make a big dent in the life-cycle 'loss'. In the table above is the emigrants share in total tourism; hence the last column is our estimate of the return.
Table 3. Remittances and Emigrant Tourism

<table>
<thead>
<tr>
<th>Year</th>
<th>RE (%GNP)</th>
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<td>6.3</td>
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<td>1955</td>
<td>11.0</td>
<td>31.8</td>
<td>5.8</td>
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<td>13.0</td>
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<td>1980</td>
<td>56.5</td>
<td>278.7</td>
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Note: in 1952, 1955, and 1980 one-quarter of tourism receipts were allocated to relatives, and one-third in other years.

The vista conjured up by the gross calculations is thus less worrying when remittances and tourism are allowed for. But even had most of the 'loss' remained, the welfare loss would not have been commensurate. Since Irish emigration was long-standing it must be supposed that parents foresaw the 'loss' of a high proportion of their children, and that rearing them brought its own psychic reward. Perhaps what the calculations lay bare is the common reality that children as a rule don't repay parents for the costs of upbringing and education, but subsidize the next generation themselves in turn (Becker, 1981: 197-8).
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