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Estimate of the Extent of the Present "Gap" in Social and Economic Standards between Northern Ireland and the Republic

Appendix C gives some useful statistical comparisons between North and South.

The table below compares the levels of public current and capital expenditure in relation to education, health, housing and social welfare and agriculture in the North and in the Republic. The figures for the North take account of the financial assistance received from the British Exchequer.

Public Current and Capital Expenditure

	Republic		Northern Ireland	
	1965/66	1966/67	1965/66	1966/67
	£m.	£m.	£m.	£m.
Education ¹	40.3	40.9	42.1	43.2
Health ²	34.2	37.7	38.2	42.6
Housing	24.2	27.9	23.0	25.1
Social Welfare ³	38.7	42.7	79.3	85.2
Agriculture ⁴	40.5	41.5		35.0 (estm.)

1. The figures take no account of the larger participation by private interests in the education in the South than in the North.

2. The figures for the Republic have been taken from the Budget statistics but current expenditure has been doubled to take account of expenditure by local or health authorities.

3. Since compensation for industrial injuries has, until recently, been provided by private insurance in the Republic the figures may not be strictly comparable to the figures for Northern Ireland.

4. The figures for the Republic are the comprehensive ones included in the Budget Tables but the figure for relief of rates and rural electrification have been excluded. The Northern

Ireland figure is obtained by adding the estimates for the Ministry of Agriculture to the estimated financial assistance given by the British Exchequer.

The comparison made in the preceding table is valid only in so far as differences in public expenditure represent differences in the level of the services covered. It ignores differences in economic and social structure and differences in the age structures of the respective populations. These differences are obviously of major importance especially the fact that in Northern Ireland only 11% of the working population is employed in agriculture compared with 32% in the Republic.

Ignoring these differences, however, and having regard to the 2 : 1 proportion between the respective populations in the Republic and the North, the table suggests -

- (a) that we would have to more than double our present level of expenditure on education to catch up with the North (increase of £50m.);
- (b) that we would have to more than double our expenditure on health to catch up with the North (increase of £45m.);
- (c) that we would have to increase expenditure on housing by about 75% to come level with the North (increase of £20m.);
- (d) that we would have to quadruple our expenditure on social services to get into line with the North but if some allowance is made for the greater numbers in agriculture, a trebling of expenditure would be needed (increase of £80m.);

/(a)

(e) that expenditure in relation to agriculture would have to rise by about 75% to give the same level of assistance per head of the population as in the North.

(Note: If account is taken of the extent to which agriculture in the Republic benefits from British price guarantees under the Free Trade Area Agreement the figure might fall to about 40% i.e. an increase of £15m. On the other hand, if the comparison is made on the basis of numbers in agriculture, expenditure in the Republic would have to be almost trebled i.e. an increase of £80m.).

Estimate of the Total Increase in Public Expenditure
(Capital and Current) needed in the Republic to bring
expenditure up to the levels in Northern Ireland

	£m.
Education	50
Health	45
Housing	20
Social Welfare	80
Agriculture	15 to 80
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	£210m. to £275m.
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