Irish Historical Development in the Light of Other Small European Countries

Part IV
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CHAPTER 10
EARLY HISTORY: 1600-1820

The analysis of the five contrast countries in Part III necessarily broke up the historical “continuities” of the contrast cases. Using Senghaas’ scheme, an attempt was made to discuss some of the features which led these countries into auto-centric development trajectories. Although maintaining the broad distinction between socio-economic and political institutional factors, we provide in this Part a more chronological account of Irish developments. As often as possible, however, we shall engage in comparative discussion, referring back to Part II. The chronological approach is thus not a narrative; it is organised with reference to the comparative material provided in other chapters. Our aim is to trace vicious circles — or patterns of cumulative causation — which may help to explain why Ireland must be placed so much further away from the auto-centric pole (and correspondingly closer to the peripheral pole, cf. Figure 1.1, and Table 4.3) than any of the contrast cases.

As for Irish development before independence, Chapters 10 and 11 deal with the period 1601-1922. They focus mainly on two dimensions: Ireland’s shifting position in an international division of labour dominated by England, and the socio-political developments leading to independence. Following Crotty’s periodisation, three periods are distinguished: 1601-1660s, 1660s-1820s, 1820s-1922.

During the first period, there was an export boom for Ireland’s pastoral products. The period 1660-1820 was a case of “capitalist colonisation” without peripheralisation, marked by “political integration and economic segregation”. Reflecting a major change in price relations, a process of deindustrialisation can be traced in the 1820-1922 phase. In that same period, political processes led to increasing sovereignty, ending in political decolonisation. The later period represents “economic integration and political segregation”.1 The period of independence since 1922, according to Crotty, amounts to peripheralisation without capitalist colonialism.2

10.1 INITIAL PERIOD FROM 1601 TO THE 1660s

During the 17th century, England launched a policy of anglicisation and plantation in Ireland to secure the unstable, strategically important Irish area. Following rebellions in the 1560s and 1570s, Queen Elizabeth I completed the conquest of Ireland in 1601. Ireland was colonised by a Protestant British ruling class that was given land confiscated from rebellious Irish landowners. The British colonisers awarded confiscated land to soldiers and financiers of the British army. There was a numerically rather small Protestant upper-class, ranking above mainly Catholic lower classes except in the dense Protestant settlement of the north-eastern Ulster region, which had Catholic and Protestant underclasses.

English policy goals were to anglicise the country, to impose English law, loyalty to the crown, conformity to English manners, mores, and religion.3 The result was a cycle of “rebellion — military repression — confiscation of rebel lands — settling
of lands with Protestants from England, Scotland, Wales. Apart from such rebellions, Ireland was also a possible base for hostile foreign armies, and a haven where British rebels could seek refuge. England wanted to solve the "Irish question" once and for all.

In the counties which later became the Irish republic, English landowners would lease land to Irish tenants. But after the 1607 rebellion in the Ulster area, which later became Northern Ireland, settler farmers were taken in to displace indigenous agriculturalists. Settlers from Scotland (Presbyterians) and England — partly displaced by English enclosures — took over the land. This was the so-called Ulster "plantation", the aim of which was to repopulate the region with loyal Protestants, who would be a loyal garrison to secure British interests. Land was the reward for their loyalty. These were the roots of the future religious strife.

In 1640 there was turmoil in Ireland, as British tensions spilled over. In the 1641 Ulster rebellion, Roman Catholics wanted to win back their lands and liberties. Catholics attacked Protestant settlers in a very bloody rebellion.8 In late 1641 also, the "Old English" in Ireland joined the rebellion, that is against their fellow Protestants, because the latter were more recent settlers. In October 1642, Irish and Old English leaders formed the "Confederation of Kilkenny", a Catholic counter-parliament. But the English struck back: Cromwell landed with 3,000 veteran "Ironsides", and in the period 1649-52, many Old English and Irish Royalists were killed or exiled.

Cromwell passed an Act for the settlement of Ireland in 1652, legitimating the seizure of the land of numerous Catholic Gaelic natives, who had been driven out of the east and centre, and forced to resettle in the infertile west. The Act established a death penalty for anybody who resisted. Fully applied, this would have wiped out 80,000 people, for many resisted. Less than one thousand were actually executed. By 1700, 90 per cent of all land was owned by Protestants (10 percent only in 1600). Tough Penal laws banned the Catholic religion and restricted the use of the Gaelic language and customs.

Appropriating clan lands as private property, England made Ireland the first colony of the modern world. With the imposition of private property, argues Crotty, it was possible to profit from Irish land: "That profit was to be made by shipping livestock to England and thereby sharing in the profits that accrued to English land, and to English land alone in the sixteenth and seventeenth centuries (...). Ireland, which had previously exported little except hunted, gathered and crude pastoral products, developed under the early Stuarts an export trade in cattle and sheep that almost certainly exceeded any similar trade in the world at that time.9

Ireland was flooding Britain with low-cost pastoral products. This strengthened the position of the English King vis-a-vis the parliament, as the Stuart kings earned both customs duties and taxes on Irish land. In addition, the import of large quantities of Irish cattle and sheep squeezed the profits of England's landed proprietors. As a consequence of the mid-17th century English revolution, these landed interests became dominant, and founded the first modern property owners' state. From then on, English kings had to accept the decisions of parliament.10

10.2 SECOND PHASE 1660s-1820s.

Socio-Economic Developments

The English Restoration parliament was quick to deprive the crown of many of its advantages. The Cattle Acts 1663 and 1667 excluded Irish pastoral produce from Britain. Similarly, the Irish woollen industry was excluded by a law of 1669. For the following century, Britain "integrated Ireland politically within the imperial system but segregated it economically from its own market". A triangular division of labour emerged in this mercantilist period between Ireland, Britain and overseas areas, in particular the West Indies. Britain imported and re-exported only Irish products (pigment, butter and grain) that complemented the British ones. In particular, Irish beef and pork (salted provisions) were exported to the West Indies as food for slaves, being exchanged for tropical and semi-tropical products. In the 1660-1820 period, Ireland developed more rapidly than Britain (in terms of population and foreign trade per capita). Crotty admits that "capitalist colonialism" stimulated growth and development in this period. There was a "fairly broadly based economic expansion" of wool and cotton industries supplying the domestic market.12

The North and West had more of the early cottage industry than other areas, as they were marked by high population density and a relatively landless peasantry. Linen exports began in the 1680s, and flourished in the 18th century. Linen was labour-intensive and wages were lower in Ireland and Scotland than in England. Linen was based mainly in Belfast because of the "Ulster custom", which gave tenant farmers security from rack-renting. Although England specialised in woollens, and later cotton, these activities also flourished in Ireland in the early part of the period. Spinning first took place all over Ireland. Much of the yarn was supplied to the North East (with many skilled British settlers and Huguenots) which concentrated on weaving and finishing. By 1780, the cotton sector around Dublin, Belfast and Cork was as large in Ireland as in Scotland (which was second only to the cotton industry of Lancashire), but the Irish industry grew more slowly than that of England or Scotland. Gradually, Belfast became the most important region for cotton spinning, as mechanisation (which had started in the 1770s) proceeded quite far there. Skilled weavers operated in the rural hinterland.

British protectionist legislation (of 1699) was repealed in 1779. Despite this, Irish cotton weaving declined from the late 18th century. This decline was only temporarily halted by the emergence of some firms based on large factories. No centre based on a mechanised wool industry (comparable to Yorkshire) ever emerged. In sum, Ireland had a strong, export-oriented linen industry, while the woollen and cotton industries were well established in the home market.13 Eastern and coastal regions of Ireland were closely tied to the commercial-industrial expansion of Britain, as this was the high time of mercantilism.

The country composition of exports changed as the West Indies became less, and Britain more important (Britain taking 44 percent of exports in 1720 and 85 percent in 1800). Linen cloth was the largest component of exports at the time of the industrial revolution, and grain was also important.
In the second half of 18th century, the Anglo-Irish landowning and mercantile classes became increasingly prosperous. A native Catholic middle class arose, while the Catholic majority became poorer and more numerous.

About 1740, the potato (originating in the Andean highlands) was introduced to Ireland. Given Ireland’s climatic conditions, the potato would support a cottier (or “coolie”) class, a bottom layer in the agrarian structure, engaging in spade cultivation. “The exotic potato thus created in Ireland the agronomic conditions in which a coolie class could subsist by cultivating land without capital, other than a spade and a basket of seed potatoes. The potato made possible in Ireland the existence of a coolie class 20 degrees of latitude further from the equator than any other coolie class in the world (...). The Irish coolies provided the cheap labour on which was built an Irish economy that between 1660 and 1820 grew more rapidly than any other in Europe. The rent roll from Irish land increased tenfold, from an estimated £800,000, or one-fifth of the national income in 1670, to £8 million in 1800.”\(^4\) Especially during the reign of George III (1760-1820), price relations were favourable for Irish produce and the cottier class expanded to be the largest social class in Ireland. Cottier classes also expanded rapidly in the Nordic area at that time. Mortality declined, and there was cheap food, fuel, and housing in the rural areas. The colonial centre, Georgian Dublin, became the monument of the relative prosperity of this period. The town became larger than any English town except London.

The agrarian mechanism underlying this prosperity phase was seemingly as follows. Catholic Irish tenants (the Irish bourgeoisie) were squeezed between the landowners (the Protestant ascendency ruling class) and the growing cottier class (the poor masses). Landowners, supported by the English colonial power, were able to extract high rents from their tenants. To make ends meet, the tenants had to grow grain and keep cows in response to the demands of the triangular division of labour. Here potatoes were crucial: “They prepared the ground for the cereals crops, of which the grain was exported and the straw provided critically scarce winter fodder for milk cows.”\(^5\) Land would be exhausted by grain-growing, but potato-growing would recover it. To achieve such a recovery, tenants sublet the land to cottiers.\(^6\) The cottier would get a surplus of potatoes over his family’s nutritional needs, and on this surplus, he would fatten a pig, the sale of which would pay the rent for the sublease. For the 1712-1831 period Crotty finds an almost perfect correlation between pig exports and population growth.\(^7\) “Population in Ireland up to the middle of the nineteenth century was a dependent variable”.\(^8\)

The Irish population rose from about 2.5 million in 1750 to somewhere between 8.2 and 8.4 million in 1841. Within the population working the land there were considerable differences between well-to-do farmers, smaller farmers, cottiers renting small plots on potato ground from farmers, paying partly for this by labour, and landless labourers renting even tinier patches of potato ground normally on short term leases.\(^9\) The proportion of the lower classes grew considerably.\(^10\)

Figure 10.1 plots Irish population movements, and as a contrast, Denmark’s much smoother development. As can be gathered from Table 4.4, the population growth of the other contrast countries was not much different from Denmark’s. Thus, while the Nordic countries also had an explosion of rural poor in the 19th century, the magnitude of the phenomenon was — in comparison — truly amazing in Ireland.

**FIGURE 10.1**

*Population Movements in Ireland and Denmark 1750-1926*

![Graph showing population movements](image)


**Social and Political Mobilisation**

With the restoration of the English monarchy (Charles II, 1660), Royalists wanted their estates back. An Act of Settlement by the Irish parliament returned land to specified groups. The Roman Catholics were the real losers.\(^21\) Rivalries and intrigues continued between the English and the Anglo-Irish. James II after 1685 filled key positions with Roman Catholics, planning to catholicise England with an Irish Catholic army. When William of Orange took over after 1688, James II’s supporters ruled Ireland. James fought the British from Ireland after March 1689. William defeated James in the Battle of the Boyne on July 1, 1690, a Protestant victory. (A hundred years later this would give rise to “Orangeism” in Ireland, as we shall see below.) From 1695 the Irish parliament enacted a number of penal laws to deprive Irish Catholics entirely of their power: they were not allowed to carry arms, buy or inherit land, or to send their children to the Continent for a Catholic education. The consequence was to cripple the economic activity of the native Irish, resulting in a strong exploitation of the Irish by the Anglo-Irish gentry.

In the 1760s, the British King tried to tighten the grip on Irish politics. 1760-1820 — the era of George III — was a period of revolution. The subordination of the Irish parliament became increasingly problematic for the British. The Protestant Henry Grattan became the leader of the patriot wing after 1775. The revolt of Britain’s American colonies in
1776 provided inspiration for Grattan, making the question of the rights of the Anglo-Irish in the empire even more complicated.

A paramilitary organisation, the Irish Volunteers was launched in 1778 (40,000 members by 1780, later 80,000—100,000 men, all beyond the control of the British government). Its stated goal was to protect Ireland against England’s enemies. But it was also a force which would support Anglo-Irish efforts in reaching independence. The Volunteer movement demanded free trade (repeal of the Navigation Acts and of restrictions on Irish trade with Europe and the British colonies), as well as repeal of Poyning’s Law (whereby the British parliament made binding laws for Ireland). England was squeezed in America, and in March 1782, the Irish were granted most of their demands. At this time there was a certain solidarity among the landowning classes.

Despite the fact that Grattan’s Parliament (Grattan was not in office himself) was a “Protestant settler parliament”, which opposed equal rights for Catholics, there was obviously some concern about a possible alliance with the Catholic middle classes. Grattan and the Irish Volunteers helped pass the first Catholic relief act in 1778/9, which allowed Catholics to take long leases and inherit land. Although Grattan’s Parliament lasted for 18 years — the period 1778-96, which was a “Golden Age” in the Anglo-Irish Pale (the region which the British actually controlled) — a number of problems began to emerge. The French revolution of 1789 created major divisions, but it also inspired a closer rapprochement between Protestants and Catholics. Theobald Wolfe Tone (an Anglcan, but with supporters both among Presbyterians and Roman Catholics) emerged as opposition leader, with the goal of breaking down religious and political barriers. This inspired the Society of United Irishmen (founded in 1791) as a mass movement. Its basis was the minority of northern Presbyterians.

The Pitt government in 1793 passed a new Catholic Relief Act: Catholics were granted equal voting rights, and were made eligible for the highest offices. Tone’s demands became more radical. In 1795 skirmishes broke out between armed Catholic and Protestant farmers in Ulster. This was the origin of the Society of Orangemen (the name referred to William of Orange, who had fought the Catholics), a paramilitary Protestant organisation, sworn to preserve Ascendancy, to keep Ireland as a British colony. This disrupted Tone’s plans. Ulster was increasingly populated by Catholics, despairing of reform. In 1798, Tone launched a rebellion as a response to increasing British repression. This revolt of the United Irishmen was inspired by the French revolution and American struggle for independence. The French promised military assistance. The fight was for a new social and political order, across religious cleavages. British forces, supported by Orangemen, crushed the rebellion, and imprisoned Tone (who was with a French expedition). Sentenced to death, Tone committed suicide in prison.

The prosperous late 18th century bolstered a Catholic middle class which tried to emulate the British. At that time its demands were restricted to independence under the British constitution: repeal of Penal laws, equal economic opportunity and equal rights for Catholics who owned property. While the United Irishmen represented an alliance between certain Catholics and Protestants, most members of the Catholic middle class distrusted the egalitarianism and anticlericalism of such French-type republicanism. After the defeat of the United Irishmen, they hoped that the British government would provide them with equal rights in exchange for their support for the Act of Union.

Responding to the dramatic events of 1798, Pitt — who was concerned about strategic security and political efficiency — had to strengthen the ties between Ireland and Britain. The Act of Union was achieved (1800) by bribing Irish MPs (through pensions, titles, cash compensations: Grattan’s parliament voted for its own extinction). The more ambitious purpose of the Act was “to undermine the power of the Protestant settlers, for it was to be accompanied by reforms intended to win Catholic acceptance of British rule”. The Catholic Church thus supported the Act, as it promised emancipation for the Catholics.

According to the Act of Union there would be 100 Irish MPs in the British Parliament, Irish revenue should pay 2/17 of British imperial expenditure. Qualified Catholics were given the vote, but not the right of representation. Within the Parliament, support for the Catholic cause was the chief point of distinction between sympathetic Whigs and anti-Catholic Tories. In 1829 Catholic representation was accepted. “The act of union carried Ireland’s political, economic, social, and religious problems into the heart of British political life, and Irish issues as well as Irish members of Parliament helped to defeat numerous ministries in the 19th century.” The union involved full economic integration.

10.3 A NOTE ON COMPARISONS

In this report, there is no scope for substantial comparisons of pre-19th century developments. We shall just list some of the more obvious contrasts emerging when this period of Irish history is compared with the development of the contrast cases in the same period. Austria is left out, since she was at that time part of an empire, one of the great powers, and comparison is not really merited.

As already emphasised in Chapter 4, demographic dynamics turn out to be crucial in any study of Irish developments. One interesting question is why Irish population growth was so much more spectacular than elsewhere (cf. Figure 10.1). The population explosion was largely linked to the growth of the cottier class. Such a class also expanded strongly in the Nordic countries (but somewhat later than in Ireland), and even here there is a connection to the introduction of the potato. Further comparative studies might answer why the expansion was so much stronger in Ireland.

As for Switzerland, there was also poverty in rural areas at the turn of the century, but it seems that the cottier phenomenon was less important there than in any of the other countries. The main topic for comparison between Ireland and Switzerland is, however, a different one: as we have seen in Chapter 6, among our contrast cases only Switzerland had a more extensive proto-industry (cf. Chapter 4) than Ireland. While Switzerland was probably the most advanced case in terms of industrial
development, we can conclude that in the 18th century, Ireland was a more advanced or developed country than any of the Nordic contrast countries. Ireland was not always a latecomer. Ireland’s population was also larger, although the very fast population growth towards the mid-19th century (Figure 10.1) was a warning of the instabilities that led to the famine during the next period. The contrast between Switzerland and Ireland in terms of industrial development becomes manifest early in our next period: Ireland’s deindustrialisation versus Switzerland’s successful adjustment, which led from proto-industry to quite broad industrialisation. Further on in this report, we shall attempt to explain this difference with reference to a much stronger Swiss national system of innovation.

Turning to political mobilisation, Switzerland again turns up as an interesting comparative case. Like Ireland, Switzerland has both Catholics and Protestants, and the French revolution had important political effects (cf. Chapter 8 above). The Swiss ability to transcend deep religious cleavages has often been emphasised. The obvious difference, of course, is the absence of an external colonising great power in the Swiss case. In Ireland, Protestantism was directly associated to colonial power until 1922.

Concerning colonisation, a comparison with Finland (and with Norway) is more relevant. One important difference is the religious homogeneity of the Nordic countries. The dominant states were Protestant states as much as the subordinate ones. As for Britain and Ireland, geopolitics and economic dominance were interlinked with the Catholic/Protestant cleavage. Still, before the Napoleonic wars, in a period with many impulses from the “democratic revolutions”, Norway and Finland were colonised by Denmark and Sweden respectively. If we compare the British disciplining of its colony in the 18th century with Danish attempts to rule Norway, or Swedish attempts to rule Finland, it is clear that the British use of power was of quite a different kind. However, as a result of war and of the influence by European great powers on the regional Nordic great powers, both countries experienced a shift in their dominant powers. During the turbulence of these changes, Norway managed to establish her own constitution, which was not displaced by the new colonists. Finland could also rely on a recent constitution, as we shall see below. Both Finland and Norway could largely determine all internal matters themselves (effectively home rule). In the case of Finland, it seems that Russia’s dominance was not compounded by the religious differences between Finnish Protestants and Russian Orthodox Christianity.

As for social and political mobilisation, it may turn out to be a key that all our contrast countries went into the 19th century as more or less sovereign countries. We have just seen that Ireland experienced both colonialism and religious cleavages. Switzerland had religious cleavage but was not exposed to colonial rule, while Norway had mild colonial rule, but a religious community with its rulers. After 1807, Finland was exposed to mild colonial rule, but its rulers did not share the Protestant Christianity of the country. Since Finland thus is the case closest to Ireland, we shall pursue this comparison somewhat more closely.

There were some basic similarities between Ireland and Finland in the mercantilist 17th and 18th centuries: they were both colonised by a neighbouring foreign power, whose citizens provided most of the capital, owned most of the land and took care of colonial administration. Certain areas formed the bridgeheads for the colonists: in Ireland it was Ulster and the Pale, in Finland it was the Southwestern area around Turku.

The French revolution spurred movements for national independence all over Europe. But both general conditions, and certain crucial events in the 19th century, point to important differences (the latter events will be discussed in Chapter 11.2). As for the general conditions, the Finns, as we have seen, shared the Protestantism of the Swedish ascendency class which ruled over them. Thus, while religion was the focal point of Irish mobilisation, the Finns mobilised on the basis of language. Comparing Ulster and the Turku region, it is clear that while the former remained religiously and ethnically divided, the latter was homogenous in terms of culture and religion.

There is also a significant difference relating to national sovereignty, which must be discussed with reference to great power politics. In the 18th century, Sweden was a declining empire. Finland was for a long time squeezed between Sweden and the Russian empire. The new Swedish King in 1772, Gustavus III, introduced a new form of government. His successor, Gustavus IV Adolph, declared war on Napoleonic France. Unfortunately, Napoleon in the Treaty of Tilsit, June 1807, made the Russian Tsar (his earlier greatest rival) his temporary ally, and Finland was assigned to the Russian sphere of influence. The Finns were easily defeated, and by the spring of 1808, Finland was under Russian control. Signs of Finnish resistance, however, made Tsar Alexander’s advisers adopt a cautious attitude. In the Declaration of Porvoo, March 1809, the Tsar promised to respect the Finnish constitution of 1772. This became the basic legal framework for the Grand Duchy of Finland under Russian rule, 1809-1917.

The Swedish ascendency were gradually to accept the Finnish language during the 19th century (as we shall see in Chapter 11), while there was no change in the Anglo-Irish religious split. Ireland’s fate was continued dominance by England, which emerged from the Napoleonic wars as the world’s hegemonic industrial and military great power. In contrast, Sweden had to cede Finland, as we have seen. Ireland experienced colonial continuity, Finland a change of colonial power.
Agrarian Transformation — Ireland and Uruguay

Chapter 11

Among our contrast cases, Denmark is the only one besides Ireland that is an agricultural exporter. But as we concluded in Chapter 6, Denmark, like the other contrast cases, had experienced industrial breakthroughs during the 19th century. Denmark’s agrarian structure and industrialization were closely linked. The relationship between Denmark’s agrarian structures and industrial development is complex. In the following section, we shall compare the development of Denmark’s agrarian structure and the country’s agricultural development.

Chapter 7 surveyed the socio-economic factors listed in Table 4.4. The 19th century saw an in-depth discussion of how Ireland experienced the transformation from a traditional to a modern society. We shall discuss the various components of this transformation and how they were interconnected. The chapter also discusses the modernization of the agrarian and religious revival. We shall discuss the various elements of the agrarian revival, particularly focusing on the development of the Irish agrarian movement.

Chapter 8 examined the socio-economic factors listed in Table 4.3. The 19th century was a period of in-depth discussion on Ireland’s agrarian and religious revival. As we shall show, this period was characterized by a period of agrarian change, and the emergence of a new class of Irish men.

Chapter 11 sums up the discussion of this period by discussing the main long-term consequences which have influenced Ireland’s 20th-century development.

For our comparative interest, the crucial question is whether Senghaas’ explanation of Uruguay’s failure relative to Denmark’s success clearly gives priority to the distribution of land holdings. Empirically, Denmark displays a relatively normal distribution, whereas Uruguay’s distribution of land shows an extreme inequality. The relative inequality increases to a high degree as a result of urbanization and industrialization, which have caused increasing incomes from exports and productivity increases to trickle down to large groups of the population, generating a home market, despite the small size of the country. These different degrees of inequality imply different development potentials. The impact of import-substitution industrialization in Uruguay has been different from that in Denmark.


TABLE 1.1

Basic Data on Denmark, Ireland and Uruguay 1976/77

<table>
<thead>
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<th></th>
<th></th>
<th></th>
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<th></th>
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<tbody>
<tr>
<td>Denmark</td>
<td>1.5</td>
<td>13,900</td>
<td>1.8</td>
<td>Agriculture 25%</td>
</tr>
<tr>
<td>Ireland</td>
<td>1.8</td>
<td>7,485</td>
<td>1.5</td>
<td>Agriculture 30%</td>
</tr>
<tr>
<td>Uruguay</td>
<td>2.9</td>
<td>5,794</td>
<td>1.7</td>
<td>Agriculture 50%</td>
</tr>
</tbody>
</table>

Note: These figures are rounded to the nearest million inhabitants.

1982-1922
Broad-based industrialisation, with a high capacity for absorbing labour freed by agricultural modernisation, did not happen. Industry remained orientated towards certain limited sectors and too insular. Even the more recent attempts to attract foreign investment for the export-oriented production of manufactures have resulted only in industrial enclaves without the necessary macro-economic spill-over effects.\textsuperscript{37}

### TABLE 11.2

<table>
<thead>
<tr>
<th>DENMARK 1919</th>
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<tr>
<td>ha</td>
<td>0.55-4.99</td>
</tr>
<tr>
<td>acres</td>
<td>1.4-12.4</td>
</tr>
<tr>
<td>no. of land holdings</td>
<td>67,256</td>
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<tr>
<td>percent</td>
<td>32.7</td>
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</table>

<table>
<thead>
<tr>
<th>IRELAND 1917</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>acres</td>
<td>-15</td>
</tr>
<tr>
<td>no. of land holdings</td>
<td>130,178</td>
</tr>
<tr>
<td>percent</td>
<td>36.5</td>
</tr>
</tbody>
</table>

| IRELAND: Below 50 acres: 78.5% | Above 100 acres: 8.4% |  |
| DENMARK: Below 50 acres: 69.7% | Above 100 acres: 10% |

Note: 1 hectare = 2.4711 acres. In order to be able to compare the two categories "below 50 acres" and "above 100 acres", we assume that in the 25-75 acres category, half (50 percent) of the farms (that is 16.7 percent of all farms) were below 50 acres, and we assume that in the 75-150 acres category, two thirds of the farms were larger than 100 acres. For the results, see the text.


This description is not misleading, but Senghaas fails to note that the distribution of land was not very different between Denmark and Ireland. Since Senghaas emphasises the importance of land distribution in the early stages of the catching up process, we would prefer as early data as possible. But since Danish statistics use the complicated measure of harkorn for the 19th century, the earliest data which are more easily comparable stem from 1917-19 period. Even these data are not classified (partly due to the different measures of hectares and acres) in a way which makes them directly comparable. But introducing some simplifying assumptions (see Table 11.2), we reach the following results, referring to the categories used by Senghaas himself in his account of the Irish agrarian structure. In Ireland at that time, 78.5 percent of the holdings were smaller than 50 acres, against 69.7 in Denmark. In Denmark, however, about 10 percent of the farms were larger than 100 acres, against only 8.4 percent in Ireland.\textsuperscript{38} In other words, if Ireland had somewhat more small farms, Denmark had somewhat more large farms. Although these data are probably most fragile and although this is a rough calculation, Table 11.2 must count as a rejection of the claim that the distribution of land holdings was more unequal in Ireland than in Denmark. (As for the inequalities in the earlier 19th century, they will be discussed in Chapter 11.2).

Thus, the Irish case forces us to question Senghaas’ most heavily emphasised independent variable: the distribution of land holdings. What Senghaas simply states in a descriptive fashion, should — given his framework — be a major enigma: why, despite a distribution of land holdings which is roughly similar to the Danish one, was there no broad consolidation of the Irish economy? More specifically, as is also clear from Senghaas’ reference to the enclave nature of Irish industrialisation, why did so few linkage effects (or “micro-circuits”) spread from Irish agriculture, why did Irish manufacturing industry not grow like the Danish one? Let us start by a closer comparison of the timing of certain crucial agrarian and institutional developments (Table 11.3).

Denmark had long enjoyed independence, with agrarian reforms long before the late 19th century crisis connected to the transport revolution (cf. Chapter 4). In the 1781-1807 period, large farms were split up and a broad middle class of (family) farmers emerged (and further fragmentation was avoided by the legal arrangement of immoveable inheritance) long before the restructuring of agrarian exports (beginning in the 1870s). There was a second reform period in the late 1840, as the cottiers (husumerd) became fully liberated. The short period of the Continental blockade spurred textile and metals production, like most other Continental countries, but this was followed by a severe postwar crisis in the 1820s. Ireland, on the other hand, was an agrarian region within England until 1922. The transition to owner-occupier family farms took place in Ireland about hundred years later than in Denmark.

Although land reforms occurred much later in Ireland, the structure of holdings was not very different in the post-famine period preceding the reforms. The main change in the late 19th century was that the Catholic tenants got ownership of the land. Actually, the traditional nationalist interpretation of 19th century Irish agricultural developments could be quoted in support of Senghaas’ interpretation. It argued that insecurity of tenure and rackrents imposed by absentee owners destroyed any incentive to improve farms. After the Napoleonic wars international price movements favoured livestock rather than tillage, but due to intense population pressure, the change to pasture did not take place until the Great Famine (1846-50). During the post-famine situation, Catholic tenants improved their position and the land wars of 1879-82 produced an efficient system of land holdings, based on peasant proprietorship.\textsuperscript{39}
<table>
<thead>
<tr>
<th></th>
<th>DENMARK</th>
<th>IRELAND</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>SOVEREIGNTY</strong></td>
<td>Longstanding sovereignty; Kalmar union with Sweden (1389-1523); Dominating Norway until 1814. Lost Schleswig/Holstein 1864.</td>
<td>Gradual integration with England. 1600-1800: political repression, mercantilist protectionism. 1800-1922: economic integration/gradual concessions to the nationalists. Independence 1922, loss of Northern Ireland</td>
</tr>
<tr>
<td><strong>AGRARIAN REFORMS</strong></td>
<td>Feudal tenure system in which aristocrats use their political power to force peasants to stay on the land, and to expropriate their output.</td>
<td>Absentee ownership; peasants compelled by market forces to pay rackrents in competition for access to land.</td>
</tr>
<tr>
<td>Period of transition to owner-occupier farming</td>
<td>1788-1807</td>
<td>Land wars 1879-82; reforms 1870s-1910s.</td>
</tr>
<tr>
<td><strong>ADJUSTMENT IN DIFFERENT PERIODS</strong></td>
<td>Only moderate extension of cottage industry</td>
<td>Extensive cottage industry</td>
</tr>
<tr>
<td>Industrial structure preceding first crisis</td>
<td>Specialisation in corn exports</td>
<td>Corn exports rising until the 1840s. From the 1820s: pastoralisation, animal husbandry, specialisation in exports of live cattle.</td>
</tr>
<tr>
<td>Response to first crisis 1790 onwards</td>
<td>Relative success: Proto-industrialisation as basis for industrialisation</td>
<td>Interaction between industrial crisis and agricultural crisis: the famine 1847-9, i.e. fullblown peripheralisation (an English region).</td>
</tr>
<tr>
<td>Performance during the high tide of British hegemony: the period of international liberalism 1840s-60s</td>
<td>Specialising in animal husbandry, strong linkages</td>
<td>Further sectors hit by deindustrialisation. Continued pastoralisation.</td>
</tr>
</tbody>
</table>

Note: Dating of crises from Table 4.7.
grazing or for growth of root crops, and animals produced more farmyard manure which increased the fertility of corn-growing. In Denmark in the period 1850-70, livestock and tillage were complementary, while in Ireland, they were clearly competitive. At this point, Crotty questions the old interpretation of Denmark: “It is a common misconception that the expansion of Danish livestock was caused by the falling price of corn in the 1870s, and that Danish farmers turned from corn production to livestock production as a result of it. This is quite incorrect; the expansion of Danish livestock production started off in the 1850s at a time of rising corn prices, and the role of the additional animals was primarily to enable the Danish farmer to produce more corn, not less.”

But there were major differences in livestock development. Denmark expanded its dairying cattle (i.e. the number of cows), while Ireland expanded its dry cattle (good-quality, beef-type bullocks, as well as heifers under a certain age). Dry cattle expanded also in Denmark, but the main part of this expansion was not bullocks, but young heifers (replacement stock for cows). Thus Ireland specialised in the beefing qualities of cattle, Danish policy concentrated on improving milk yields.”

Table 11.5 compares the land-use in Denmark and Ireland, which are certainly related to these differences in specialisation patterns. Table 11.6 shows the more intensive land use of Danish agriculture.

### TABLE 11.5

<table>
<thead>
<tr>
<th>PERCENTAGES OF TOTAL AREA, 1929</th>
</tr>
</thead>
<tbody>
<tr>
<td>Denmark</td>
</tr>
<tr>
<td>-----------------------------</td>
</tr>
<tr>
<td>Tilled (excluding fallow)</td>
</tr>
<tr>
<td>Permanent grass</td>
</tr>
<tr>
<td>Non-agricultural land</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>PERCENTAGES OF TOTAL AGRICULTURAL AREA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cereals</td>
</tr>
<tr>
<td>---------</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>1871</td>
</tr>
<tr>
<td>1901</td>
</tr>
<tr>
<td>1911</td>
</tr>
<tr>
<td>1933</td>
</tr>
</tbody>
</table>


In the period between 1871 and 1933, there was only a slight reduction in the proportion of land used for cereals in Denmark. The proportion of hay and pasture fields fell and the amount of land used for root and other crops was considerably raised. Already in 1871 a greater share of Irish agricultural land was used for hay and pasture than in Denmark. This difference increased considerably during the following 60 years, as the proportions of Irish hay and pastures rose and the proportions of cereals and crops fell.
Crotty discusses the factors behind this different specialisation. It is based on natural conditions and on scarcity of labour (which was increasing in Denmark, and contracting in Ireland). According to the Irish tradition, it was unnecessary to house dry cattle during the winter. As for the labour element, Denmark’s climate required farmers to keep animals indoors during the winter. It was necessary to build farm buildings for the animals as well as for the storing of fodder, and to grow crops and cereals for fodder. The constant care of livestock was associated with regular, non-seasonal production and marketing of livestock products. The Danish beef industry was a side activity related to dairy production. In Ireland it was the other way round.

Costs of increasing labour for milking were higher in Ireland than in Denmark. In both countries, Crotty concludes, “it is certain that, for a given feed input, cows had a higher gross output than dry cattle; out of this excess the farmer paid the additional costs associated with cows. But it seems equally certain that the excess value return from cows as compared with dry cattle was far greater in Denmark, the cause of this being basically the great variation between summer and winter feeding costs in Ireland.” He concludes that “the expansion of dry cattle production in Ireland from 1850 onwards, in contrast to a simultaneous expansion of dairying in Denmark, can be explained in terms of three factors: (a) the relatively higher prices for beef than for butter in Ireland, (b) the high variability of Irish feed supplies, resulting in a low feed conversion rate for dairy cows, (c) the high cost of non-feed inputs, labour and housing, of dairying in Ireland.”

We must here beware of incorrect generalisations: Ireland had been specialising in cattle for a long time, while Denmark increasingly specialised in cattle during the second half of the 19th century. But their agrarian export baskets still differed: Ireland largely exported live cattle, with meat as the main alternative (somewhat more processed). Denmark also exported meat (and had a more sophisticated slaughterhouse business, as we shall see), but mainly processed dairy products, like cheese and butter. As we have seen, the Irish trend was towards pastoralisation, while in Denmark it was towards intensification. The Irish pattern of cattle-rearing involved less wide-ranging spin-offs, in particular the development of a complex network for fattening, marketing and exporting of cattle. The “virtuous” circle of intensive farming continued to characterise Danish developments, the “vicious” extensive circle marked Irish agricultural development.

Tillage farming in Denmark was not abandoned, but it was made more dynamic. Commercial production of cereals was replaced by production of different types of fodder crops to be used on the farms. The production of fodder crops tripled 1875-1927. In fact, earlier grassland was now tilled. Fodder was sold between farmers. This fodder production was supplemented by imports of fodder to such an extent that many Danish farmers were free-trade oriented. Thus, commercialisation proceeded far. Denmark’s move to exports of products derived from cattle was due to partially imported fodder and intensification of agriculture, while in Ireland cattle exports grew due to pastoralisation, meaning increased inputs of natural resources readily available as pasture.

The increased amount of fodder was used by Danish farmers to increase the animal stocks on the farms, mainly cattle, pigs, and poultry. Increased manuring combined with fertiliser imports raised fodder productivity. Bulls were exported alive, while the milk production of the cows was the input of a growing dairy industry. The remaining thick milk of the cream-and-butter production was used to feed the pigs. There was therefore a positive connection between milk, cattle stocks and pig stocks. Pig meat was the input of the Danish bacon export industry. The waste from the pig slaughtering was used to feed poultry. Therefore there was also a positive connection between the pig stocks, and the poultry stocks, encouraging the production for the home market and export of slaughtered birds and eggs.

| TABLE 11.6 |
| Animals per 100 Acres of Crops and Pasture 1938 |

<table>
<thead>
<tr>
<th></th>
<th>HORSES</th>
<th>COWS</th>
<th>SHEEP</th>
<th>PIGS</th>
<th>POULTRY</th>
</tr>
</thead>
<tbody>
<tr>
<td>DENMARK</td>
<td>72</td>
<td>204</td>
<td>24</td>
<td>301</td>
<td>3497</td>
</tr>
<tr>
<td>IRELAND</td>
<td>38</td>
<td>110</td>
<td>275</td>
<td>82</td>
<td>1687</td>
</tr>
</tbody>
</table>


The animal husbandry of Denmark was more intensive than the Irish in terms of animal density as well. Table 11.6 shows that except for sheep, animal density was far higher in Denmark. According to Beddy, Ireland would have had 1.1 million more milch cows, 660,000 more cattle and 3.25 million more pigs if its animal density had matched that of Denmark. Not only the number of animals, but also their productivity was higher in Denmark. The milk productivity per cow was 50 percent higher in Denmark, a result of the Danish specialised milk breed as compared with the Irish dual purpose milk and beef breed. With the exception of hay and potatoes, tillage yields were also higher in Denmark than in Ireland despite the fact that poorer soil had to be used in the land-intensive Danish tillage system. Finally, more capital was invested not only in buildings and livestock in Denmark, but also in machinery. All these factors contributed to a far higher family remuneration per acre in Danish agriculture.

Danish agriculture furthered industrialisation to a larger extent than agriculture in Ireland. Foodstuffs and the dairy industry became the leading export industries in Denmark. As industrial production of agricultural inputs grew, Danish home industries prospered due to the increased incomes generated by agriculture. In 1935 the value of gross industrial output in Denmark was £219.6 million as compared to £81.2 million in Ireland. In Denmark the agrarian complex now exports rather sophisticated food products and during the 1960s a number of specialised manufacturing industries also emerged.

Figure 11.7 compares very roughly the sizes of holdings in the second half of the 19th century. Although categories are not fully comparable, the figure indicates that there was a quite constant number of family farms and larger farms in both countries. As for the development of small farms the figure shows opposite trends: in Ireland
the number of small farms declined strongly, while in Denmark, the number grew. Ireland saw a considerable concentration process, most pronounced in the period around the famine. In Denmark, on the other hand, there was a marked growth of small plots owned by cottiers. These farms were too small to support the whole family, so the cottiers had to take on work as agricultural labourers on the estates. This seems strange in view of Menzel and Senghaas' emphasis on the pattern of land distribution, while it is readily explained by Crotty as a consequence of the more intensive farming in Denmark: there was a much larger demand for agricultural labourers.

**FIGURE 11.7**

*Number of Landholdings According to Size, Denmark & Ireland, 19th Century*

**IRELAND**

- 0.45–12 ha
- > 12 ha

**DENMARK**

- Estates (av. > 120 ha)
- Family farms (av. 10–120 ha)
- Cottier-owners (av. < 10 ha)

**Note:** These figures say nothing about the share of total agricultural area covered by the different farm types. For Denmark, we know that in the 1880s, estates were 15 percent of that area, family farms about 73 percent and cottiers about 11 percent.


Crotty's approach combines certain basic features of climate and geography with the hard facts of price movements. A quite different view was launched in the 1940s by J. P. Beddy. In his view, Ireland could have developed a system of animal husbandry close to the Danish one.

"Eire (...) with her heavier soils, her milder winters, and her ample rainfall, adopted a system of animal husbandry based upon grass, and hence the decline in cereal and other tilled areas and the increase in hay and pasture areas. Unlike Denmark our selection had not the same element of compulsion. While our choice was not open to Denmark, hers were not closed to us. Our system in the particular manner in which it was operated, involved pure grazing for livestock exports and seasonal — and hence restricted — production of livestock products partially for exports at the most highly competitive period of the year to markets with which our dealings had not the advantage of regularity. There resulted less employment, less activity on the land, fewer farm buildings and less farming capital."  

While Crotty emphasises rational adjustment to objective conditions, Beddy emphasises the element of choice. This cannot be an "either or" question, and in the following section, we shall try to discuss some of the socio-political factors which may help to account for the choices made in Ireland. While we have rejected the one-sided emphasis on the distribution of land holdings, Senghaas' scheme may still be of help as far as political-institutional features go (Chapter 11.2). First, however, we shall compare industrialisation and deindustrialisation.

**Irish Deindustrialisation Versus Industrialisation in the Contrast Countries**

There had been considerable proto-industrialisation in Ireland in the 18th century. As Chapter 10 showed, wool, linen and cotton industries supplied the domestic market. Liberalisation of trade between England and Ireland started in the last phase of mercantilism, as Irish export interests triumphed against English protectionism. Already at that time, it seems, indigenous industry began to come under pressure. The Act of Union 1801 removed some barriers, but tariffs on woollens and cotton goods were gradually reduced and finally removed in the early 1820s.

After the Napoleonic wars, Ireland's integration in the world economy changed dramatically. "Demand in the metropolises shifted from energy-rich bread and butter to protein-rich beef and mutton; or from labour-intensive grain and milk to labour-intensive sheep and cattle. That shift in demand, which marked too a shift from mercantile, to factory, capitalist colonialism, was reflected in the long run (i.e. 1820-1970) rise in the price of cattle fivefold relative to the price of wheat and threefold relative to the price of butter."  

Cattle exports (alive and dead) had been constant for 160 years, but increased sixfold between 1820 and 1870. Exports of sheep (the poor man's cattle) increased thirteenfold. The trade balance on grain went into deficit in the period after 1840. As just noted in the comparison with Denmark, a massive capitalisation of agriculture occurred, one which was of "a distinctive, pastoral character, for which
the closest parallel is twentieth-century Latin America." Being "low output" production, cattle grazing supplanted other agricultural enterprises with a higher output/acre ratio. It drove people off the land. As grazing became more profitable, farms became more concentrated. The number of people earning a living in agriculture declined. The live trade to Britain increased at the cost of a meat trade to more distant markets. Cheap grain (also from Denmark) was now more competitive than Irish grain.

In the same period, Irish proto-industry was hit by "peripheralisation pressure". This pressure was even a challenge for Switzerland, but that country, as we have seen, proved able to adjust (Chapter 5 above). Ireland in contrast, became a standard example of the kind of deindustrialisation process mentioned in Chapter 4.

The decline of the Irish textile industry was obvious from the 1825-26 depression and onwards. By 1838, only 14 percent of the home market was supplied from Irish sources. The textile industry became concentrated in Glasgow and Lancashire. Other industries like milling, brewing, iron-founding, shipbuilding, rope-making, paper and glass-making expanded in Britain. Even in these sectors there was concentration, but it did not reach a harmful level. The gross effect, however, was that an increasing number of Irish cottage industries were forced out of business. Labour- and capital-intensive commodities from the core were exchanged for land-intensive cattle from the Irish periphery. The non-agricultural workforce declined, and wages fell. Irish demand was depressed and the unit costs in native Irish industries increased. Imports thus expanded, while exports narrowed.

Ireland also exported labour (through emigration) and capital, since this could be put to more profitable use abroad. Due to this pattern of transferring savings, Ireland has maintained a large share of the lowest surviving commercial banks in the world. From the 1840s, there was also pressure on Irish grain-growing, since Britain was also able to buy at lower grain prices after the repeal of the corn laws. In this context — marked by an interaction between an agricultural crisis and a crisis of proto-industry — the Great Famine broke out.

The change in price relations made the Irish tenant farmers allocate less land to grain, and consequently less land (or land of a lower quality) was available for the cottier class. The development of agrarian capitalism in England had started off with enclosures — in the specific sense of establishing private, individual property rights to pastoral land — in the 16th and 17th century. Now, according to Croft, Ireland was the only other European country to experience enclosures. In addition (and probably connected to these changes in agricultural ownership patterns), the potato crops failed in 1817, 1821, 1829, in most of the 1830s. Already at that time, emigration had become established. Finally, between 1845 and 1847 Ireland was hit by the disastrous potato famine which destroyed the staple food of the underclasses. During and after this crisis the population of Ireland was significantly reduced by starvation, starvation-related deaths, and emigration (Figure 10.1).

The number of excess deaths due to the famine amounted at least to 1.1 million. There was no absolute shortage of food, but unemployment and lack of access to sufficient land among the rural poor, together with the vulnerability that stemmed from their specialisation in potatoes, gave rise to the catastrophe. Now the enormous Irish overseas emigrations began (about a million left as a direct result of the famine), while birth rates were significantly reduced. The Irish population fell from about 8.2 million in 1841 to about 4.4 million in 1911 (Table 4.4, Figure 10.1). The famine and the subsequent emigration reversed Irish social development as the poor were the ones who mainly died during the famine or emigrated. The share of Irish tenant farmers increased. The political mobilisation of this tenant group changed the social conditions of rural Ireland. While earlier, the custom of partible inheritance had dominated, now imparible inheritance became increasingly common.

These events implied the constitution of a new Irish demographic regime, marked by: "exceptionally late marriage with low levels of illegitimacy or cohabitation, natural fertility within marriage, corresponding relatively low levels of overall fertility compared with other 19th century natural fertility populations which married earlier. [...] The whole system was overshadowed, and its peculiar features made possible, by the institutionalisation of very high rates of emigration. This enabled high rates of natural increase to continue for over a century without feeding back on population size. After the famine, Irish population fell throughout the 19th century, another characteristic which was unique in Europe. There was therefore no demographic incentive for a reduction in marital fertility. Irish emigration was also peculiar in that it included a higher proportion of females than males, as well as having a death rate unfavourable to females. Ireland therefore acquired an unusual sex ratio (which it has only recently lost) with more males than females. Among other things this depressed the marriage chances of bachelors relative to those of spinsters, giving some substance to its depiction as 'a nation of elderly bachelors.'"

The famine implied a dramatic reversal in domestic demand. Despite the fact that decline had begun (as just shown), there was in the years just before the famine, a considerable industrial sector in Ireland. One third of all Irish counties had more people in manufacturing, trade or handicrafts than in agriculture in 1841. One fifth of the working population (700,000) was in textile manufacturing. From this time, the contraction of industrial employment started. Table 11.8 gives data for Ireland including the Northern counties. The trend indicated continued, as we shall see later.

<table>
<thead>
<tr>
<th>TABLE 11.8</th>
</tr>
</thead>
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<table>
<thead>
<tr>
<th>MANUFACTURING</th>
<th>AGRICULTURE</th>
<th>TOTAL LABOUR FORCE (1000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1841</td>
<td>27.3</td>
<td>50.9</td>
</tr>
<tr>
<td>1851</td>
<td>22.8</td>
<td>48.4</td>
</tr>
<tr>
<td>1861</td>
<td>20.7</td>
<td>43.0</td>
</tr>
<tr>
<td>1871</td>
<td>19.5</td>
<td>40.7</td>
</tr>
<tr>
<td>1881</td>
<td>16.0</td>
<td>41.6</td>
</tr>
</tbody>
</table>

Crotty’s explanation of deindustrialisation is related to price-competitiveness, that is, peripheralisation pressure was mainly felt via the lower prices of British goods and increasing costs of Irish inputs. Adding to such an explanation, O’Malley argues that rising barriers to entry made it increasingly difficult for Irish industry to produce at a scale that would enable it to compete with the British. In England, there was strong centralisation and increasing economies of scale. Irish textile industry was too decentralised. It did not develop the kind of large factory that the industrial revolution generated in England. In this situation, “only the few largest, most favoured regional centres of an industry at the time when mechanisation got under way were able to develop successfully, disposing of lesser competitors as they did so”.

In terms of Tilly’s typology (Table 4.6), Ireland’s cottage industry displays the “flight” (or “exit”) option, a flight of both capital and labour out of Ireland. The one major exception—a case of local change in speciality—is the case of Belfast, the only industrial centre which survived. After 1850, Belfast became the largest centre of linen-manufacturing in the world. In 1900-1910 Belfast shipyards produced one quarter of the entire U.K. tonnage. Belfast cotton mills changed to linen from the 1820s. This adjustment was successful. Belfast became the centre of mechanised fine linen spinning. Spinning disappeared as a side activity in north-eastern rural households, being concentrated in Belfast. English and Scottish centres of linen production declined. The linen activities implied backward linkages to engineering: the construction of steam engines involved boilermaking, and these skills were important in the building of iron ships. (Here are the origins of Harland and Wolff). Another backward linkage from linen textile production was the making of machines for preparation and spinning of flax (and other hard fibres), as flax was the basic raw material for linen. For such spinning, one could not use cotton-spinning equipment. There were also further backward linkages: in the 1930s, Belfast producers had about 70 percent of the world market for tea-drying equipment. The reason was that flax preparation and spinning necessitated solutions to problems of ventilation and heating. Skills in making such equipment could also be applied to the problem of tea-drying. In sum, Belfast developed a centre which was a world leader in linen and flax-related machinery, as well as further spin-offs. In these fields, as well as in the building of iron ships, user/producer interaction was crucial. This centre maintained skills and a marketing organisation, despite the fact that the home market declined.

Strikingly, population decline was less pronounced in Ulster than in other parts of Ireland. Between 1841 and 1911 population declined by 33.8 percent in Ulster as compared to an Irish average of 46.4 percent. The decline had levelled out by 1911. Even more striking, in the period 1841-1951, there was an overall population decline of 54.7 percent in the 26 counties which became the Irish Free State, while the decline in the six counties which became Northern Ireland was only 16.7 percent. The North Eastern Ulster counties were always more closely linked to the British industrial regions than other areas. While Belfast was the island’s industrial centre, Dublin was the administrative centre.

The decline of all industrial development (except Belfast) became more pronounced in the great depression of the 1870s. Methods of large-scale production were spreading throughout the industrial great powers. “In Ireland, the relatively small, declining and dispersed nature of local markets (as a result of a declining agricultural population since the 1840s and the earlier failure of textile-based industrialisation) gave Irish firms little incentive to introduce new methods of large-scale production. But British or European firms, with larger growing markets nearby, had that incentive and they could then go on to capture export markets such as Ireland. Irish industries which declined from this time included iron-foundling, milling, paper, tanning, chandling and rope-making.”

From the late 19th century and onwards, new developments in British manufacturing industry created further pressure. The production of consumer-oriented metal goods was mechanised. New products like sewing machines, bikes, motor cars, and electrical goods required precision engineering. They were located in the belt from London to Birmingham, where such “light precision engineering skills” already existed (partly based on firearms production). It seems that the well-known economies of scale and specialisation logic operated here. Ireland, however, lacked a growing domestic market, had only very poorly developed engineering skills, had no earlier industrial centre in this line of production, and possessed no resource base for industrial developments outside agriculture.

The contrast between Ireland’s 19th century deindustrialisation and the industrialisation processes of the other cases was noted already in Ch. 6.6, and will be further discussed in Ch. 11.3 below. Our discussion above, however, indicates that these different economic dynamics cannot be explained solely with reference to the distribution of land and income. We must therefore proceed to focused comparisons relating to social and political mobilisation.

### 11.2 SOCIAL AND POLITICAL MOBILISATION: AGRARIAN REFORMS AND NATION BUILDING

Chapter 4 mentioned Rokkan’s general rule, that the national revolution precedes the industrial revolution. This general rule, however, does not hold for Ireland. Being a peripheral region of the country which nourished the first industrial revolution had, as we have just seen, quite dramatic effects on industrial development. The notion of “industrialisation” is simply not specific enough when applied to the Irish case, since Irish industrial development was so muted, first by the competitive pressure from Britain (the English industrial revolution largely meant deindustrialisation for Ireland), then by the loss of the Belfast region in 1921/2. As we shall see, national cleavages completely overshadowed other kinds of cleavages.

The fact that Ireland had for long experienced English military and bureaucratic rule would seem to indicate that there was fertile ground for Irish nationalism. As we have seen in Chapter 10, there was a long record of revolts against English rule. On the other hand, with the Act of Union 1800, Ireland was fully represented in Westminster, and England made many efforts to integrate the Irish region. For Ireland’s 19th century political development, the paradox is that despite this direct rule from London and direct representation there, the country was “in all other respects, essentially colonial, with the typical cultural and economic dependencies and native/settler antagonisms characteristic of colonial countries. Many of these
The alliance between the nationalists and the Catholic Church was a crucial feature of the Irish experience. The politics of nationalism and the Catholic Church were intertwined, with the Church providing a sense of identity and purpose for the nationalist movement. The Catholic Church was a powerful force in Irish society, and its support was essential for the success of the nationalist movement.

In other words, England's attempt at assimilation could not bring the strength of the Irish nationalism to bear on the United Kingdom. The integration of the region in the core of the British empire stimulated Ireland's claim to a separate identity. The Catholic Church's support was crucial, with the Church providing a means of mobilization for the nationalist movement.

The Catholic Church's support was crucial, with the Church providing a means of mobilization for the nationalist movement. The Church's influence was widespread, with its teachings and beliefs forming the basis for the nationalist movement's message. The Church provided a sense of continuity and identity, with its history and traditions serving as a source of pride for the nationalist movement.

As for working class mobilisation, it was hampered not only by the small size of the middle class, but also by the Catholic Church's divide. Industrial activity was mainly controlled by Protestant landowners, who preferred Protestant labour. Labour unions, the prevailing garrison mentality, and the prevailing religious culture made it difficult to foster a strong labour movement. The process of national mobilisation was also affected by the assimilation of Irish Catholicism into the Anglican Church's framework, which made it difficult for the nationalist movement to gain traction.

The mid-19th century saw a transformation in the patterns of Irish protest against English oppression. While the earlier tensions between the English and the Irish were reflected in a more powerful kind of national mystique, the Catholic Church became an important part of this movement. The Church's influence and its role in promoting national identity played a significant role in the nationalist movement's success.
nationalism becomes quite comprehensible in view of the fact that the cleavage lines of the combined British-Irish political system overlapped and reinforced each other, giving rise to the peculiarly irreconcilable nature of the opposition. Separatist nationalism based on resistance to the encroachment of the British state, economic protectionism due to the pressure on outmoded craft industries from the British factories, religious differences and anti-city sentiment together formed an ‘ideological package’ composed of elements which in other countries might be thought to be unconnected or even opposed; as we have seen, Irish socialists, clericalists, anti-clericals, conservatives, liberals and even landlords could be persuaded to see something in the package for themselves.  

Unlike the nationalism of countries like Denmark, Sweden or Switzerland, Irish nationalism implied a process of decolonisation. Among our contrast cases, only Finland was in a similar situation. While the other contrast cases had been sovereign states for a long time, Finland attained sovereignty at about the same time as Ireland. If we disregard the quite different background, Finland and Ireland at the time of their independence can be classified as latecomers in the industrialisation process. Among the countries for which Table 6.1 gives data on manufacturing employment and share of the labour force in agriculture, Finland is the only one which — at the turn of the century — has a lower share than Ireland. Still, Finland is one of our contrast countries, which through the 20th century has become rich and successful in comparison with Ireland. We shall thus give priority to comparisons with Finland, although some of the other contrast countries will also be mentioned.

The similarity of the Irish and the Finnish cases was noted by Rokkan. Comparing the political consequences of the liberation/secession struggles in seven smaller European nations, 92 he found that both countries belonged to the periphery of Europe, they had been subject territories under representative regimes, and they had struggled long to establish a national identity, being latecomers among the countries with political sovereignty. They were thus similar in terms of his model of the “institutionalisation of formal mass democracy.” 93 But investigating the cleavages that gave rise to the party systems, he found that they differed substantially. 94 Trying to account for these differences, Rokkan compared three phases of national liberation in Ireland and Finland: restricted franchise, extended franchise (Ireland from 1885, Finland from 1907), and national independence (Ireland 1922, Finland 1917). He also discussed the three great requirements of the Irish nationalist struggle — justice for Catholicism, land reforms and national independence — and notes that these could be met one at a time. 95 We shall include comparisons with Finland and Denmark while discussing each of these stages.

Integration of Catholics and the Rise of the Catholic Church

In the 17th and 18th centuries, as we have seen, British penal laws banned the Catholic religion and restricted the power of Catholic groups. The Act of Union had promised Catholic emancipation, but this was not approved by George III. Grattan’s support for emancipation had been an exception. The Protestant settlers (many of whom received large sums as absentee landlords) lobbied in Westminster, and succeeded in obstructing it for thirty years. Under the leadership of Daniel

O’Connell, 96 the Catholic middle class now became the carriers of nationalism, increasingly radicalised. In May 1828, O’Connell won a seat in Parliament. The Duke of Wellington, and Peel concluded that further resistance to emancipation was futile. At about that time (1834), there were 6.4 million Roman Catholics in Ireland, against 0.85 million members of the Church of Ireland, 0.64 million Presbyterians and about 20,000 other Protestant dissenters. 97 1829 saw the removal of all civil disabilities (penal laws restricting political and economic activities) against Catholics. 98 But it did not strike out the religious and ethnic prejudices against Irish Catholics in England.

After the Famine, O’Connell pursued repeal of the Union. The situation in England was unruly, with Chartism, and attacks on the corn laws. But his “Repeal Association” did not make much progress. “Young Ireland” was a Protestant-Catholic younger idealistic nationalist movement. It became more militant, and was expelled from the Repeal Association. Young Ireland launched a rebellion in 1848, and as a result, its leaders were deported. In the 1850s and 1860s, another political underground movement, the Fenians, mobilised to overthrow the British by means of dynamite and firearms. 99 Due to the large Irish diaspora abroad, this movement became an international conspiracy, financed mainly by Irish-Americans. 100 But like earlier violent anti-British movements, they remained outsiders, with a lack of means and support. Many were arrested.

O’Connell established the alliance between the nationalist movement and the Catholic Church. In the 1830s, Irish tenants began to refuse payment of tithes to an “alien” (Anglican) Church of Ireland. Tithes in 1838 were converted to a fixed rent paid by the landlord. As a result of the Famine, the Catholic middle class and the Catholic church gained more support from a more affluent, literate and smaller population. Gladstone pursuing a policy to “pacify Ireland” disestablished the Anglican Church in Ireland in 1868. Even after this Catholic victory, Ireland’s Protestant Ascendancy, above all the landlords, remained very powerful.

This Catholic victory stimulated the development of an autonomous Irish civil society. Traditional peasant practices and outlooks were challenged by the views of middle-class farmers, clerics and towns men. Views on proper social, religious and political behaviour were strongly influenced by the Church. 101 The fusion of nationalism and the Catholic Church implied what has been called the “devotional revolution” in Ireland. The ratio of priests per capita increased from 1/3000 in 1840 to 1/900 in 1900. The number of nuns also increased strongly. The standard of education of the Catholic clergy improved. 102 The period after the Famine was the main period for Ireland’s shift from Gaelic to the English language. Literacy spread particularly in 1871-91 period. 103 Throughout the third quarter of the 19th century, the Irish Catholics became more devout in their practice. 104 The Irish nationalist struggle became virtually devoid of anti-clericalism. In many other countries, the labour movement represented a counterforce to Catholicism, but as we have seen, the labour/capital cleavage was nearly fully displaced in Ireland.

By taking part in the struggle for full professional and political privileges for Catholics, the Church won full control over primary education. Britain granted
educational concessions in 1879. The new educational institutions, teacher-training colleges and new university colleges in Dublin, Cork and Galway gave many Catholics their first opportunity of acquiring a kind of higher education acceptable to their religious conviction. Parish priests and the schools were important local contributors to the process of nationalist socialisation.

In Finland, no split comparable to the Irish one between Catholic masses and the Protestant Ascendancy developed. There was a relative homogeneity between the Finnish-speaking majority and the Swedish-speaking local upper-class. As Sweden lost Finland to Russia in 1806, the local Swedish upper classes were cut off from the Swedish state apparatus, while the new Russian rulers had to balance their relations to the Swedish-speaking local upper classes and to the Finnish majority. The new rulers subscribed to another version of Christianity (Russian Orthodox), but unlike the Irish cleavage between Protestants and Catholics, the Finnish distinction between Russian Orthodox and Protestant Christianity was not deeply embedded in the Finnish social structure, and did not become the basis of mobilisation.

As shown earlier, Finland, although under Russian rule, was a separate entity in internal governmental, financial, and religious affairs. The established political and social institutions inherited from the Swedish period remained, an estate based on a four chamber diet, which, however, was not convened between 1806 and 1863. There was a Senate which acted as the Finnish government in day-to-day matters. Swedish was the language of government and the court. In the case of Finland, Hroch's sequence is confirmed. In the early 19th century, the Finnish national legacy, e.g., folk literature, was rediscovered by intellectuals. Kalevala, the first collection of folk tales, was published in 1835. It was also argued that Finnish should be the language of instruction in various schools. Both the Russians and some Swedish-speaking administrators resisted the use of Finnish within official life. This began to change as J. V. Snellman, a leading pioneer in the mobilisation to promote the use of the Finnish language, became a Senator in 1863. In the following years, as attempts were made to strengthen Russian dominance, the Finno-Swedish elite yielded on a number of questions such as increased use of the Finnish language, and equalisation between Finns and Finno-Swedes.

The Diet was called in 1863, meeting more frequently from 1868 onwards. A national currency, the Finnish mark, was first issued in 1860. At the turn of the century, Russian nationalists pushed the weak Tsar Nicholas II (1894-1917) to pursue a policy of Russification in Finland. In 1878, the Finns had been allowed to raise their own conscript army to defend the "homeland", but a Decree of 1901 dissolved the Finnish army and placed Finnish units under Russian officers, increased the use of the Russian language and required Finnish conscripts to enlist in Russian regiments. The Finns, protesting, referring to their constitutional rights, thereby clashing with the absolutist Tsar. At this point, Finnish leaders split into Constitutionalists, opposing these Tsarist measures, and Compliants, aiming at a compromise with the Russians. The Swedes tended to support the former, while some Finnish-speakers favoured the Compliants, hoping to bargain for wider use of the Finnish language. Under the pressure of the 1905 Russo-Japanese War, the Tsar had to suspend the Military Service Law, and the Finns were exempted from conscription in return for a levy of 10 million marks. A number of Constitutionalists were dismissed from public service. The remaining Compliants succeeded in using the Finnish language to a larger extent.

According to Alapuro this remarkably smooth linguistic conversion was the outcome of the egalitarian Scandinavian-type social structures; the weakness of the upper classes as landed classes, and their position within the state. Their structural position was not based on exploitative agrarian structures bolstering an aristocratic anti-peasant ideology, and their positions within the polity were not threatened by the Finnish movement. The spread of the Finnish language implied a nation-building process that would eventually threaten Russian control, but as noted above, the Russian authorities inadvertently stimulated this process by supporting the increased use of Finnish as a means of counterbalancing Swedish influence. Around the turn of the century the Finnish bureaucracy also needed peasant allies to counter the dominance of Russia.

Referreding to the Irish split between the Catholic mass and Protestant upper classes, Rokkan contrasts the integrative importance of Finland's Protestant Church with the Catholic mobilisation against the dominance of the anglican Church of Ireland.

What is more important, however, is that when the Catholic Church gained strength in Ireland, with the devotional revolution, it became an integrative institution of much greater importance than the Finnish Protestant Church, and the long term consequences of its role in nationalist socialisation was also much more important than that of Protestantism in Finland, as we shall see below.

**Land Reforms**

Equal rights for Catholics and an independent Church were won before 1870. But the landlords retained their influence and from the 1870s, mobilisation countered this influence. The electorate became more politicised, and Irish nationalism stronger. Tenants required a strengthening of their rights, i.e., land reforms, and landlord rule was also challenged by the cry for Irish Home Rule. There was much distress in agricultural districts. Isaac Butt led the Home Rule League, becoming an MP in 1871. In Parliament, an Irish party developed. An increasing number of representatives were elected on Home Rule principles. Michael Davitt, a nationalist with socialist inclinations, organised the Land League. The agricultural bourgeoisie and the Catholic commercial and professional middle classes were the main bases of the nationalist movement. During the 1870s the League managed to attract all kinds of rural discontent and direct them at the landlords.

The skilled and charismatic Charles Parnell, a Protestant landlord, radicalised Butt's case (Butt died in 1879). He became chairman of the Irish Parliamentary party (61 seats in the general election of 1880). In 1878-9, he negotiated support from the Land League and the Irish Republican Brotherhood, for home rule. At the same time, the land wars (1879-82) represented the first phase of mass politicisation of Irish farmers. These wars above all involved attempts by tenants to postpone rent payments by legal action and other means until they were threatened by concrete physical eviction from the farm (paying their "rent at the point of the bayonet").
Gladstone’s second ministry (1880-85) was really troubled by Parnell’s skilful manoeuvres. The British tried to counteract the agitation for Home Rule by granting land acts. The Catholic Church supported the nationalists, thus strengthening the identification between Catholicism and nationalism.

In Chapter 11.1, the pastoralisation of Irish agriculture was analysed. Ranch farming had grown since 1850, with large numbers of dry cattle and sheep spread over huge holdings. Various kinds of people became graziers: commercial middling tenants, townsmen like solicitors or shopkeepers, various types of middlemen. The landlords tended to prefer that graziers rather than tenants rented their land. Graziers could pay a higher rent, and were more likely to present the full rent punctually. It was cheaper to administer one grazier rather than many tenants. Ranchers often had multiple holdings, and were non-residential occupiers. Their attitudes were more commercially-oriented than the normal tenant farmer, who had customary ties to the land. 120

The emergence of the railway system helped develop a system of trade between various areas, with some graziers fattening herds, while others would store cattle, while developing the bones and muscles of the animals. There were also English or Scottish buyers (“shippers”) and local cattle salesmen. During the land wars (1880), a conflict between graziers and peasants ensued. There were public rallies and mass demonstrations, illegal removal of cattle from the graziers’ land, and boycotting. 121 This was a part of the general mass opposition to the landlord system. The land wars created an organisational structure within the peasantry, which also served to coordinate protest against graziers. The main problem was the extensive character of ranch farming. The graziers hired pasture, often on short term contracts, thereby driving up the rent. The rancher did not need to invest in fixed assets like barns, drainage systems, manure, ploughs or agricultural machinery. Grazing was not very labour intensive. 122 These features made grazing very flexible.

The Land Acts of 1881 legalised the “three Fs”: fixity of tenure, fair rents, free sale of tenant land. The tenant’s right in the land was accepted. It was very unpopular among the Protestant landlords. Parnell was imprisoned for compaigning on the basis that the Act did not go far enough. Released in 1882, Parnell took up his constitutional agitation. In May 1882, the Chief Secretary in Dublin (the English representative) was assassinated by the “Invincibles”. This was a set-back for Parnell, but he still won 86 seats in the November 1885 general election and thus held the balance of power between Conservatives and Liberals. Gladstone now admitted that “responsible self-government” was the only way to deal with the Irish question. This created a “Home Rule Panic” which split his party (the Liberals), as the Liberal Unionists were founded as a splinter party. In 1886, Gladstone was defeated on the Home Rule Bill, which would have granted Ireland partial autonomy. The Unionist bloc in Northern Ireland emerged in response to the Third Reform Act of 1884, and the Home Rule Panic of 1885-86.

Conservatives won the subsequent election of 1886 and provided the government for almost two decades. The nationalist movement experienced several splits into factions. 123 The Conservatives first ruled with support from the Liberal Unionists. This unionist coalition used coercion and conciliation. The Land Purchase Acts of 1888 and 1891 were intended to enable tenants to buy their land. Agrarian crime declined. Parnell was not able to regain his position in the home rule movement, which now split up into diverse quarrelling factions. (Parnell died in 1891.) Gladstone presented a second Home Rule Bill in 1894, but it was defeated in the House of Lords. Ireland was at that time experiencing economic and cultural resurgence, but the constitutional movement was in ruins.

The Unionists were in power again in 1895, and again tried to contain the Home Rule movement by legislative kindness and firm government. They held that a solution to the land question would kill off Irish nationalism, and thus continued the land reforms started by the Liberals: “killing Home Rule with kindness”. Successive legislation encouraged the sale of Irish land by Protestant landlords to their tenant farmers. There was a new Land Act in 1896. A Department of Agriculture and Technical Instruction was founded in 1899 to spur economic transformation. The 1898 Local Government Act implemented elective county and district councils. Thus Catholic majorities now assumed many of the functions traditionally performed by Protestant magistrates. The 1903 Wyndham Land Act gave a cash bonus of 12 percent of the sale price if estates were sold to tenants, who could repay loans on reasonable terms. The English state subsidised the difference between what landlords wanted and what tenants could pay. These rents based on the (English) loans taken up by the tenants were about 28 percent below the “judicially fixed rent” (paid by those who were already owner occupiers, with about 11 million acres of land) and this was about 20-40 percent below the hypothetical competitive rent. 124

This indicates the key strategy: Unionists tried to undermine Irish nationalism, and to relieve their main allies (Anglo-Irish landlords) from financial and political distress. 175,000 tenants received £63 million between 1903 and 1921. By 1920 nearly 9 million acres of land had changed hands irreversibly reducing the influence of Irish landlords. 125 Protestant Anglo-Irish absentee owners were wiped out. By 1917, two thirds of the farmers were owner-occupiers. Following these land reforms, the immobility of land — i.e. the virtual absence of a market for land — has been a characteristic of Ireland. Most peasants remained poor and underprivileged. The agrarian reforms were mainly consistent with the interests of the Irish Catholic elites. They made Ireland a property holders’ democracy. It is quite significant that emigration remained high during this period of nationalist struggle and land reforms.

The end result of the land reforms (see Table 11.2 above), was a distribution of land holdings relatively similar in Ireland and Denmark. Thus, the most striking difference is not the size of Irish holdings (as Senghaas might suggest), but the change to a pastoral approach, as analysed in Chapter 11.1. Following the land reforms, more tenant farmers turned away from tillage to cattle, and the specialised group of ranchers (or graziers) developed further.

The 1903 Land Act made many tenants owner-occupiers, so they became less interested in selling their land to ranchers. This made graziers look for untenanted land (about 20 percent of all agricultural land). If landlords provided such land to graziers on an eleven month letting, the requirements of land-reform could be
National Independence

Remaining Catholic resentment about British tax policy and Protestant dominance within the administration helped alive a drift towards secession.

A "New nationalism" surged. As Home Rule seemed increasingly to the cultural arena, with emphasis on Gaelicism and de-nationalisation of Irish society, the self-definition of the "national movement was also sharpened between the First Home Rule Crisis of 1885-86 and the Irish Home Rule Bill in 1914, but was suspended until the end of World War I. The third Home Rule Bill became law in 1914.

There were several reasons why the Northern Protestants feared Home Rule. First, a number of the naked discrimination against Catholics would no longer be possible. They also feared it would be represented in the Irish parliament, and worked in the case of Northern Protestants, the Official Unionist Party, a party more reactionary than the British Tories, commanding a huge cross-class Protestant support.

Protestant paramilitary organisations were emulated by Catholics. The Irish Republican Brotherhood founded the Irish Volunteers, militia which would oppose the Ulster Volunteer Force in 1914. Connolly founded the Irish Citizen Army to protest workers against the police. Irish volunteers welcomed German leaders, one of their leaders, (Sir Roger Casement), even went to Germany to investigate military assistance.

As for the social background of the revolutionary elite, foreign experience was important. In the early 20th century, over 40 percent of this elite had lived for a period outside Ireland, mostly in either Britain or the U.S. This return emigrant, usually educated, often over-represented, often even claims the idea of "the Irish nation", was inspired by late 19th century developments in the German Democratic party (which remained the largest of its kind at the end of the century). An uprising was planned by Pearse, Connolly, Casement and other extremists in 1916. The IRB had penetrated the Volunteers. On Easter Sunday, April 28, 1916, the rebellion started, and on the Monday, the rebels proclaimed the Irish republic, almost capturing Dublin Castle. The British interceded, and the Irish Army held out against superior British forces until April 29, when they surrendered. The uprising was based on the urban lower and lower-middle classes, but was led by an intellectual elite. The uprising signalled the end of an era of land questions and constitutional agitation by middle-class Catholic, supported by the House of Lords. Westminster's new power for an Irish Home Rule Bill.
Lloyd George in 1917 tried to solve the Irish question by a multilateral Dublin conference. Sinn Fein and the Ulster Unionists declined to take part. The British repression after the Easter Rising and the Irish Constitution Act of 1917 (the threat that many young Irishmen would be drafted into the British army in 1918) strengthened Sinn Fein, as this political party was now controlled by the insurrectionists. The European armistice of November 1918 implied no peace for Ireland. Sinn Fein grew to be the nationalist mass party of Irish secessionism, winning nearly all seats (73 members) outside Eastern Ulster in the British General Election of December. They refused to be MPs, instead declaring themselves members of Dail Eireann, i.e. the Irish parliament. Eamon De Valera became president of the provisional government. He escaped from prison in April 1919, going to the U.S. to mobilise support.

The British tried to suppress the provisional government. The Irish Volunteers now became the Irish Republican Army (IRA), the military branch of Sinn Fein. The IRA launched a guerrilla war against local authorities, fighting with the Royal Irish Constabulary, which was supported by the British army. In 1919, the IRA and Sinn Fein emphasised their commitment to an "underground republic", encompassing all Ireland. This struggle lasted for three years. The atrocities of 1919-21 generated contempt in the U.S. and Britain, and there was more pressure on Lloyd George's ministry. A ceasefire was arrived at in July 1921, with negotiations between Sinn Fein and cabinet ministers following. A settlement was reached and a Treaty was signed on December 6, 1921, constituting the Irish Free State within the British Commonwealth. It was to have a dominion status similar to Canada. Its members of parliament were required to swear allegiance to the British Crown.

The fact that there had been no integration between the Irish people and the Anglo-Irish elites — a major contrast to the Finnish case, according to Rokkan — created very difficult negotiations in 1921, producing the Ulster secession with all its tragic consequences. Six counties in Ulster (out of 32 in Ireland as a whole) were provisionally excluded from the treaty. These six became Northern Ireland, making permanent the provisional arrangements to stay within the Union. This division had a wide range of consequences on further political developments: "The Orange-Catholic polarisation made it practically impossible to organise politics on class lines in Ireland; the Land Acts and the remittances from the overseas emigrants took the brunt off the grievances of the rural proletariat and the only solid basis for an industrial labour movement was, ironically, found in the centre of the Northern enclave, in Belfast."133

Finland's independence was also the result of interaction between nationalist mobilisation and external events. From the start of the Russo-Japanese war in 1904, the Finnish liberation struggle interacted with revolutionary mobilisation in Russia. A Social Democratic party was founded in 1903, carrying further the work of the 1899 Labour party. There was a Finnish general strike in October/November 1905. By 1906, the Tsar had to accept the replacement of the four estate Diet with a 200-member, single-chamber parliament (the Eduskunta), elected by all citizens over 24 years of age, applying a system of proportional representation. Finland was the earliest European country to grant equal voting rights to men and women. But the Russians maintained executive power, and continued the attempts at Russification. The parliament soon became the major voice of the Finnish opposition, and the Social Democratic party grew to be the largest party in the 1907 election, even gaining an absolute majority in 1916, nominating in 1917 the world's first democratically elected socialist premier. But the Tsarist regime still tried to bar the development of Finnish independence. When the Tsar was overthrown in 1917, the Kerensky government dismissed the Social Democratic government and called a new election which gave an anti-socialist majority. On the 6th of December 1918, after the Bolshevik revolution, Finland declared its independence from the new Soviet Union.

**TABLE 11.9**

<table>
<thead>
<tr>
<th>Agrarian Households in Finland by Class 1815-1901.</th>
</tr>
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<tbody>
<tr>
<td><strong>IRELAND</strong></td>
</tr>
<tr>
<td>Farmers and farmers' sons</td>
</tr>
<tr>
<td>Farmers &gt; 50 acres</td>
</tr>
<tr>
<td>Farmers &gt; 20 &lt; 50 acres</td>
</tr>
<tr>
<td>Farmers &lt; 20 acres</td>
</tr>
<tr>
<td>Farmers' sons</td>
</tr>
<tr>
<td><strong>LABOURERS</strong></td>
</tr>
<tr>
<td>Labourer - landholders</td>
</tr>
<tr>
<td>Landless labourers</td>
</tr>
<tr>
<td>Other</td>
</tr>
<tr>
<td><strong>FINLAND</strong></td>
</tr>
<tr>
<td>Landowners</td>
</tr>
<tr>
<td>Crofters1</td>
</tr>
<tr>
<td>Agr. workers2</td>
</tr>
<tr>
<td>Landowners</td>
</tr>
</tbody>
</table>

1 Estimated percentage of adult male agricultural labour force
2 Includes other tenant farmers as well
3 Due to reclassification, the decline of crofters/increase of agricultural workers is somewhat exaggerated.


*Comparing Ireland and Finland, we see that the element of military mobilisation was much weaker in Finland. The absence of a Protestant/Catholic split linked to social inequalities and different relations to the colonialist great power seem to be the main explanatory factors. Finland also lacked a large diaspora abroad. Finland became independent without any territorial division. The region with the largest Swedish-speaking population never saw any mobilisation to become part of Sweden and its*
importance for Finnish industrial development was in no way comparable to Belfast's within Ireland.¹³⁴ No region had any expressed wish to remain with Russia either.

Civil War

Due to the developments discussed in Chapter 6, Finland saw the growth of large-scale rural poverty in the late 19th century before the onset of mass politics. The magnitude of the problem is illustrated in Table 1.9 which shows that the number of landless agricultural workers more than doubled between 1870 and 1901, making this group nearly 50 percent of all agrarian households. In Ireland, in contrast, the number of landless labourers (roughly comparable to the category of agricultural workers in Ireland), stayed constant in the same period. As noted above, both Ireland and Finland experienced famine,¹³⁵ but the major contrast is Ireland’s massive emigration, related to the push factor of agrarian pastoralisation and the pull factor of closeness to and language community with England and the U.S.

In Finland, language-based polarisation between Swedish-speaking elites and Finnish masses faded, and was replaced by a polarisation on class lines. The Swedish ascendency was gradually integrated, while frustrations cumulated among the poor in the early decades of the 20th century. The increase in class tension was the combined outcome of the Finnish timber boom, late industrialisation, and limited emigration. Emigration from Finland developed much later than from the other Nordic countries, peaking as late as in the 1901-19 period (cf. Table 4.5). Even at that time, it remained lower than Norwegian and Swedish emigration. In Finland, both elites countered the mobilisation of poor, working class radicals, many of them from rural areas. The strength of this mobilisation was due to inconsistent Russian policies: a sudden granting of mass democracy in 1906, and a total absence of efforts to deal with social and economic inequalities. The Socialist party won its famous majority, as just mentioned. That victory was a main factor in the escalation towards the civil war between Reds and Whites. The close-by Russian revolution in 1917 made all property owners fear the mobilisation of the poor. In the Finnish civil war, the underprivileged party sided with a dominant external power (USSR). The socialists seized Helsinki and two other industrial towns in 1918, but were countered by troops under the command of the new, right-wing government. By May 1918, the uprising was defeated. 20,000 reds — that is 14 percent of total labour union membership — died in prison camps. 8,000 of them were executed. The war was, as Rokkan points out, a struggle between social classes within the once subject population, while the Irish civil war was a fight over diverging strategies regarding Ulster and independence.¹³⁶

In Ireland, the civil war was not related to class differences. It was the disagreement over whether Ireland should have dominion status which split the Government. Eamon de Valera, the president of the Sinn Féin Government, and two of his ministers left the Government. All the nationalist organisations (Sinn Féin, IRA, IRB, Irish Catholic Society) were split between those who wanted to accept the compromise settlement with Britain, and those who wanted to fight on for an all-island republic, i.e. not accept the border between the republic and the unionists.

¹³⁷ Despite stern opposition the Treaty was accepted by the Dáil in January and the pro-Treaty factions won the elections of May. But the increasingly militant opponents within the IRA refused to recognise the Treaty, starting a tradition of terrorist republicanism. Violence spread in the countryside, and a civil war started in June 1922.¹³⁸ The government responded, using courts-martial. 77 republicans were executed. De Valera finally told the republicans to suspend hostilities. In May 1923 the war ended with defeat of the IRA.¹³⁹ Elections in August 1923 returned 63 Free Staters, 14 Labour and 44 opposition Republicans.

In sum, the fact that both the Irish and Finnish nations were baptised in civil wars is only a formal similarity. The Finnish civil war (1918) was a clash between classes (especially in the rural economy), the Irish one broke out between radical and moderate nationalists. Thus, a national-democratic cleavage accounts for the Irish civil war, whereas the Finnish civil war to a large extent originated from an industrial revolution cleavage.

The pragmatic wing of the nationalists became the leading elite of the Free State: “It could be argued that only one quarter of the population of the island was actually separatist, another quarter being Unionist. The rest were mildly nationalist. Few wanted social revolution, and few were interested in the restoration of the Irish language. The anti-treaty faction sometimes tried to cope intellectually with the extreme moderation of the Irish electorate by portraying the population as intimidated by the British, the Free State, and the clergy. It soon became evident that republicanism was, as it always had been, the creed of a minority, although a large and intense minority in a population that had a vague and lukewarm sympathy with republicanism but was more interested in a quiet life. One of the many ironic effects of partition was that this minority was rendered far more important than it would have been in a united Ireland.”¹⁴⁰

It was noted above that Sinn Féin was largely a Munster-based organisation. It was also in Munster that the later split in the movement developed (1922-23), and the last uncompromising republicans withdrew in the last phase of the civil war: “later, with the development of democratic electoral politics, Munster was to be rivalled by political forces based on the western peripheries, partly because Munster had become so divided in 1922-23.”¹⁴¹ Before we turn to Irish developments after independence, we shall discuss some long term consequences of the historical developments we have traced so far.

11.3 LONG TERM CONSEQUENCES

Relying on several studies by historians and social scientists, we have tried to gain an impression of the peculiar modernisation process which Ireland went through between the Famine and Independence. It would however, be quite premature to conclude that these unique features readily contain the explanation of Ireland’s dismal economic development in the 20th century (Chapter 2). Judgement in these matters is very complicated, not only because the nationalist movement has given rise to a number of stylised explanations which all boil down to blaming the English for any problem, but also because social science has not really developed

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comprehensive theories about the relationship between institutional transformations (such as those analysed in Chapter 11.2) and economic growth performance. In this concluding section, we try to discuss a number of possible explanations, trying to combine elements discussed in Chapter 11.1 (which discussed elements close to the process of economic growth), and Chapter 11.2 (which discussed elements where the relationship with economic growth is more difficult to assess). We shall discuss the following topics: the impact of national sovereignty, agro-industrial links, questions relating to nationalism, the state and the Church, the question of mentality and social structure.

**National Sovereignty and Economic Development**

According to the nationalist interpretation, national sovereignty was a condition for economic development: “It is surely impossible to resist the conclusion that there is some connection between the legislative independence and the economic prosperity of Ireland: so that Ireland can never be a rich and prosperous country until her independence is restored.”[142] Projecting this view backwards, it was claimed that British legislation blocked Irish industrialisation in the 17th and 18th century, and that Grattan’s parliament was responsible for the industrial growth in the late 18th century. Free trade after the Act of Union was responsible for Irish deindustrialisation in the 19th century.

These nationalist studies were published around the time of independence, clearly supporting a policy of protection. A revisionist view has been launched since then.[143] J. J. Lee argued that the problem in the 19th century was that no Irish large scale industries took over when local industry declined. Lee pointed to the Belfast contrast, concluding that a “lack of entrepreneurship” was the root cause of the problems of the rest of the country.

Even more recently, parts of the nationalist argument have been restated. Relying on modern non-neoclassical development economics, O’Malley argued that Ireland has been an industrial latecomer, suffering from barriers to entry.[144] Foreign firms are protected from the competition of latecomers by barriers like superior positions with respect to scale, technology, finance and marketing, as well as external economies from the availability of specialists, skilled labour, and large adjacent markets.

In the following section, we shall discuss these three explanatory approaches in the light of our contrast cases. Ireland, as we have already implied several times, must be classified as a major case of deindustrialisation in Tilly’s sense (Chapter 4 above), while all the contrast cases must be placed in Tilly’s “proto-industrialisation - concentration” type, with the qualification that proto-industry was very weak in Scandinavia. As we have seen in Part III, each of the case countries had started their specific industrialisation processes by the second half of the 19th century, at the latest (cf. Chapter 6).

The nationalist argument concerning the 19th century links the fact of industrialisation to national independence. Among the contrast cases, Denmark, Sweden and Switzerland had uncontested sovereignty and a constitution which institutionalised conflict resolution. (Austria was a faltering great power, so it is left out, but it also enjoyed full sovereignty.) In a weaker sense this was even the case in Finland, which however had to defend its constitution and Home Rule against absolutist Tsarist attempts at “Russification”. Finnish nationalists could rely on a specific Finnish Diet (from 1863), and later (from 1906) on the Finnish parliament (Eduskunta), while Irish nationalists could not use such an institution as their base.

Ireland was a part of Britain, fully exposed to free trade and with no chance of choosing its own economic policies with reference to an independent constitution. If Ireland as a whole had remained part of England, it would have remained a British “regional problem”, and we would have had many cases to compare with, as noted in Part II. In Ireland, however, nationalist mobilisation secured independence, and thus a problem of regional industrial development became a problem of national industrial development. If Southern Italy — to quote an example — had become independent around World War I, the same redefinition of problems would have occurred there.

A consequence of being a region is complete free trade with other regions. However, a state may also decide to conduct a free trade policy, and one of the contrast cases, Switzerland, pursued such a policy for most of its modern history. We shall therefore first discuss other ways in which the union might have influenced Irish industrial development.

The first possibility is direct use of power. Ireland was a region strongly influenced by policies of control by a colonial administration. In the 18th century, Catholics had been prevented by law from engaging in certain economic activities. But with the Catholic Relief Acts, such legal constraints were abolished.[145]

As for the second possibility, a recent restatement of the nationalist position argues in a comparative perspective that the 19th century independence of Belgium. Sweden and Denmark gave these countries “the opportunity to adjust the fiscal system in response to threats”. The argument, however, that fiscal adjustments mattered must be assessed in connection with other factors, both general and specific. At the general level, we know that the typical 19th century state was a liberal non-interventionist one. Given the small size of the public sector and the extremely rudimentary state of economic statistics, one may ask whether fiscal adjustments had any major impact anywhere. The claim must at least be specified to mean trade policies, or exchange rate adjustments. As for the movements of the pound sterling in the early and mid-19th century, however, they did not seem to inhibit British industrialisation.

A third possibility is more difficult to assess. It relates to the late 19th century. We have seen that Finland had Home Rule, while Ireland fought for Home Rule, and full national independence followed as a consequence of the setbacks in that struggle. Finnish nationalism could thus use representative institutions, while Irish nationalists had the more restricted option of trying to influence the balance of power in the British parliament. Thus, with less impact by representative institutions, Ireland had a stronger tradition of secret, military action than Finland.
Activists of the Irish diaspora returned to Ireland to participate in the struggle for independence. The importance of return migration for economic entrepreneurship was mentioned in the case of Sweden. Irish return migrants in the same period were preoccupied with nationalist mobilisation, possibly at the expense of economic entrepreneurship. The absence of Home Rule, it could be speculated, drained the energy of young, active people into covert operations and destabilisation of British rule, away from economic activity. Such speculations, however, are difficult to transform into testable hypotheses. At least, it may be concluded that the environment was not a stable one, not one that invited risk-taking in economic matters.

As for the argument concerning the absence of trade policies, i.e. a policy of protection to nourish infant industries, O’Malley’s recent statement seems to be the most elaborated one. He does not blame the union as such. Rather, late industrial development, given a free trade regime, created the problems, whether the more advanced industrial competitors were English firms (as they mostly were), or French or German ones. But Ireland cannot unequivocally be defined as a latecomer in the 1750-1850 period. Rather, deindustrialisation made Ireland a latecomer. Earlier, the Scandinavian countries had certainly been less developed than Ireland.

Let us then compare Ireland and Switzerland more closely. Both countries (as we have seen in Chapter 6) had flourishing proto-industries in the late 18th century. Switzerland was cut-off from England during the Continental blockade, but following that, its industrialisation took place under conditions of full world market association. In the same period, effective economic adjustment bolstered the perhaps strongest national system of innovation to be found among the cases we discuss here. Looking at Switzerland only, one might claim that a relatively well-developed proto-industry was a guarantee of a smooth transition to factory capitalism and import substitution. But the case of Ireland is evidence against such a view: its relatively advanced proto-industry was hit by deindustrialisation. But the basic lesson from this comparison is that barriers to entry are obviously not absolute. Referring back to our discussion of the Swiss case in Part III, we conclude that in spite of free trade, internal Swiss features — the successful evolution of its national system of innovation — secured strong industrial development.

O’Malley claims that all other 19th century latecomers which industrialised after Britain would use protection, at least temporarily. This is not correct with respect to Switzerland (or Belgium). The Nordic countries, however, would temporarily revert to protectionism, thus they belong to the “associative-dissociative” group in Senghaas’ typology. However, their trade policies were quite liberal until World War I. That was especially the case in Denmark. The impact of a certain natural barrier in terms of high transportation costs might be emphasised both for Scandinavia and Switzerland. But with the transport revolution in the late 19th century, the importance of this feature was probably reduced. We have already shown that the episode of general free trade in the mid 19th century stimulated industrialisation in the Nordic area. As noted in Chapter 6, except for Denmark, their growth processes were export-led. If it is true that the horrors of the Great Famine in Ireland were one of the crucial factors which made Peel speed up his efforts at repealing British protectionist legislation, we arrive at the tragic irony that the sufferings of the Irish promoted international institutional changes which stimulated growth and transformation in the Nordic domain.

A general weakness, however, in all the explanatory attempts we have surveyed so far, is that they solely refer to external forces. The strength of the Schumpeterian explanations is their emphasis on internal factors. But there are at least two versions of these explanations. Lee’s approach is close to Schumpeter’s own classical emphasis on the voluntaristic actions of the entrepreneur. As emphasised in Part II, Neo-Schumpeterian approaches are more interested in the institutional environment of the entrepreneur. O’Malley’s critique of classic Schumpeterianism in fact points in this direction, and his specific analysis of the Belfast linen production centre can be squared with a supply side oriented neo-Schumpeterian approach.

While such an approach provides the necessary detail with respect to the manufacturing supply side, i.e. industrial networks, user/producer interaction, etc., we also need to take certain broader internal features into account. The importance of these features have been proven in our earlier comparisons. They are: the trend towards pasteurisation of agriculture (next subsection), and emigration. These developments, as we shall see in further subsections below, were related to the dominance of the Catholic middle class tenant farmers and urban traders in Ireland’s late 19th century modernisation process. Certainly, British rule cannot be made fully responsible for these economic adjustments by the middle classes with respect to price developments and British reforms. Their adjustments were determined by class interests under the constraints of Irish geo-climatic conditions. We need to look at the internal structures which evolved, internal features which are displaced by explanations which refer to English oppression. After all, British control gradually receded, and social structures specific to Ireland evolved in that process.

We have established that Ireland was probably not more of a latecomer than the Nordic countries in the early 19th century. But in contrast to the Nordic and Alpine countries, which experienced import substitution from about the mid 19th century, Ireland experienced emigration in a context in which import substitution had not really developed. In the Scandinavian and Alpine contrast countries emigration had not yet reached high levels and, there are reasons to believe that Senghaas is right in claiming that their domestic markets were growing. Ireland, on the other hand, experienced a contraction due to emigration. In Ireland it seems that emigration, deindustrialisation and adjustment towards extensive agriculture interacted to block further import substitution (except in Belfast).

Towards the end of the century, however, emigration did develop also in Scandinavia (see Table 4.5 above). But in contrast to Ireland’s vicious circle, Swedish emigration since 1870 (simultaneous with its first great surge of industrialisation) may have been part of a virtuous circle. Analysing Sweden, Senghaas proposes a Lewis dual economy-type argument. Since import substitution had proceeded to a certain level, the response to increasing scarcity of labour reinforced a virtuous circle of economic development driven by the interaction of an economic and a political mechanism.

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First, increasing labour costs forced firms to go for technical change in order to increase efficiency. This economic pressure spilled over into the political level. As we showed in Chapters 6 and 8, the bargaining power of labour increased, mobilisation became effective, democratisation was achieved, labour could organise, and farmers broke away from larger parties, forming their own separate parties. In sum: "the growing scarcity of labour, induced by growth and emigration, increased its political weight and with it the income opportunities of wage-earners". The interaction between increasing real incomes and productivity growth was reinforced, and the social democratic turn to reformism bolstered such "growth pacts" (which brings us up to the interwar period).

The unique feature of Ireland's emigration is the absolute decline in population (Figure 10.1), and its very unbalanced demographic pattern. Even in Sweden and Norway, the Nordic countries with the highest levels of emigration, population never declined in absolute terms. As noted in Part II, there is in fact no country in the modern developed world with which to compare. Of course, such large scale emigration increased the per capita income of those remaining, and emigrants supplied remittances. But these counter-forces could not stem the vicious influence of a contracting domestic market. Rather, a vicious circle, marked by a contraction of the domestic market, low demand, pastoralisation of agriculture and paternalistic family relations ensued.

We have sketched an explanation which is more multi-causal (emphasising circles of cumulative causation) than those presented earlier. Certainly, we have only provided a rough sketch, and much research would be needed to spell out in greater comparative detail. Whatever the result of such a test would be, it seems that three perspectives must be combined: an emphasis on the demand side (especially on the dynamics of the domestic market), on the supply side (especially on linkages and national or local systems of innovation, along the lines of the Neo-Schumpeterian tradition), and finally, on the external forces of barriers to entry.

Our main conclusion is that in all the contrast cases — and even in Finland, the Nordic latecomer — a functioning national system of innovation came into being in the second half of the 19th century. In Ireland, a proper system of innovation developed only in Belfast. An effective system of innovation in other parts of the island could only have developed in close interaction with the transformation of agriculture. Ireland was, after all, an overwhelmingly agricultural economy. However, the trend towards pastoralisation, and the focus on live cattle as the major export item, did not encourage the nurturing of "micro-circuits" of the type which emerged during the Danish development towards a more intensive type of agriculture. The much more important role of the cooperative movement in Denmark, compared to Ireland, illustrates this main contrast.

Agro-industrial Links

The land reforms implied victories for Irish farmers on questions of rent control and land purchase. But they did not succeed in continuing their mass mobilisation with respect to other matters. In the 1906-13 period, they split on the issue of cooperative organisation. Horace Plunkett (another influential Protestant) and friends set up the Irish Agricultural Organisation Society in May 1894. At that time, 33 dairy societies had already been formed, and the number grew to 876 ten years later. The organisation related primarily to milk and butter, organising many cooperative creameries. Cooperatives were supported mainly by farmers on medium-sized holdings. "Large farmers, especially graziers, had little personal use for cooperatives. Thus, on this important question as well as on other issues, their interests were not bound up with those of smaller farmers. To the extent that graziers involved themselves directly in the marketing of livestock, there was a conflict of interest. Schemes for the cooperative marketing of livestock, put forward on a number of occasions, threatened existing channels of distribution and were consequently resisted." Only in the mid-1950s did discussion about cooperative ventures related to cattle develop. By 1958, 17 cooperative livestock mart societies had been formed, and there was also discussion of cooperatives for poultry and eggs.

The contrast to Denmark is striking. Even the livestock and meat sector was organised cooperatively from the start in the late 19th century. Already in the late 1880s, when the first Irish dairy cooperative was formed, one third of all Danish farms participated in cooperative dairies. There were also marketing cooperatives, above all for meat and related animal products. The first cooperative slaughterhouses were established in 1887, gaining full dominance of the market. Also eggs and poultry were organised by cooperatives. Products improved. The cooperative societies also played an important role in purchase and sales of fodder, tools, machines, fertilizers. They became a vital link between users and producers of agricultural equipment. Senghaas points out that the cooperative movement in Denmark combined the advantages of small scale family farming with the scale effects (standardisation, etc.) implied in large scale agriculture. In this way, the family farmer challenged what remained of large farmers. The cooperative movement thus provided numerous "micro-circuits" which increased agricultural productivity. The development of such circuits can turn what seem to be unfavourable terms of trade changes into advantages. This was the case when lower corn prices stimulated Denmark's agricultural transformation and Denmark ended up exploiting the low corn prices to import cheap fodder.

In postwar Denmark, about 90 percent of milk, butter, and pork have been distributed through cooperatives and much of other output also. There was strong centralisation of cooperatives, and joint liability has been replaced by a limited personal liability. Democratic rule is now indirect, as local members elect representative delegates to larger assemblies. There are now about thirty central organisations, representing all branches of the agricultural cooperative movement, collaborating in a Central Cooperative Committee, strengthening the contact between the various branches. The Irish cooperative movement has not caught up with the Danish one since independence. Irish cooperatives remained narrow. They really only developed in the area of processing, there were few supply cooperatives and very little emphasis on collaboration concerning technical change, exchange of information, etc. They were not involved with financing: Nordic farmers' banks are
unique. Irish cooperatives had no agricultural research service and no involvement in human capital investment. Nordic cooperatives, on the other hand, emphasised education. In the crucial period between 1930 and 1960, Irish cooperatives expanded but they did not become a social movement with an educational emphasis. Not before the 1960s was there an agricultural research service (developed originally on the basis of Marshall Aid funds), a generation after similar institutions had been set up in the Nordic countries. Only in the 1970s were colleges established by the cooperative movement. Since 1980 there is a standardised qualification available through agricultural highschools.\textsuperscript{162}

These differences reflect major differences between agro-industrial linkages in Ireland and Denmark. The cooperative movement had a decisive impact on Danish industrial development. It has been claimed that by the turn of the century, three models of industrial development competed in Denmark: early ideas of large-scale urban mass production, the cooperative model, and the artisan model of “networks of small workshops”.\textsuperscript{163} Denmark developed a “hybrid” form of industrial organisation, synthesising traits from each of these models. Due to the cooperative movement in rural areas, urban mass-production never really captured these markets. Instead, a number of small industries flourished in the railway towns, where there was a lot of interaction between the cooperative and artisan movements. The railway town became a “smallholders’ republic” linked to the rest of the country by at least two types of networks: the railway and the educational institutions. The educational system became a vehicle for cooperation between urban and rural artisans, and through the union movement, skilled workers and artisans influenced each other, thus influencing even the organisation of larger firms. The folk high schools founded in the mid 19th century were an important leverage for the cooperative movement (through adult education of rural people). However, the largest firms in Denmark were always the urban trading firms, like the Danish East-Asian Company, the largest Nordic firm until the 1960s.

This peculiar “hybrid economic organisation” was under attack both in the 1930s great depression and in the postwar period. In the first period, it adjusted flexibly by taking up production of simple new products for the home market. Even in the postwar period, it responded to the challenge of the mass production paradigm, as we shall see in Chapter 12. In the 1970s and 1980s, it has been argued, the cooperative organisation became an inert factor in Danish industrial development. This, however, cannot alter our conclusion that Denmark’s cooperative movement illustrates the strength of the Danish national system of innovation in the 1870-1970 period.

The Post-colonial State

Land reforms, nationalist mobilisation and decolonisation were processes benefitting certain groups in Irish society, those who remained in the country.\textsuperscript{164} Crotty emphasises the parallels between the Irish case and a general pattern typical of most third world decolonisation processes. “The colonial independence movements (...) were concerned to conserve, and to remove the impediments to the further development of, a social order originally established in the colonies by the metropolitan powers. Independence movements were not generally protests against the established social order, but against what were generally perceived by the elites of that order as continued, unwarranted intervention by the metropolitan powers; which denied them the full potential benefits of the social order. Insofar as there was mass discontent, that discontent was deflected away from the social order and directed against the metropolitan power. The metropolitan power, rather than the social order it had established and protected in its early, vulnerable years, was perceived as the source of social evils. National independence rather than social reform was seen to rectify the evils.”\textsuperscript{165}

In the Irish case, the “metropolitan order” — according to Crotty’s understanding — means the appropriation of clan lands as objects of profit making (cf. Chapter 10.1). This however, is a very general notion (and also has a certain nationalist flavour, with its reference back to ancient Gaelic modes of organisation). If we go for a more specified notion, we see that the agrarian order established in the period between the Great Famine and independence was generated through the interaction between metropolitan influence from Britain, Irish processes of social mobilisation, and certain specific Irish conditions. (Similarly, as we shall see, the Irish post-independence state apparatus emerged as a unique product of the British Whitehall administrative system and the Irish social order which emerged after the Great Famine.)

As for specific Irish conditions, we have seen in Chapter 11.1, that Crotty found that geo-climatic factors largely accounted for the difference between Danish and Irish developments. However, he obviously holds that, even given the constraints of climate and geography, Irish land is not operated efficiently. Here, there are certainly more than geo-climatic factors at work.\textsuperscript{166}

The outcome of land reforms in Ireland was that the state made land available free to the privileged. Crotty claims that Ireland is now virtually without a land market. Irish land (relative to GNP) is the highest valued in the world. As we saw above, under Irish conditions, net returns from intensive tillage and extensive pasture are quite similar.\textsuperscript{167} Crotty takes the “Georgist” position that a land tax would solve this problem.\textsuperscript{168}

The fundamental reason why, according to Crotty, Denmark has a tax system which enables the country to make effective use of its resources, while Ireland is unable “to mobilise resources so as to meet the needs of their people”, is that Ireland is a former capitalist colony, whereas Denmark is a Western continental country where institutions have developed organically. As shown in Part II, Crotty’s theory is not the dependency one which focuses on unequal exchange. He also rejects any version of the claim that the legacy of the colonialists still haunts the colonised people. Many countries have been independent for quite a long time now, and still they do not develop. The key factor which blocks development is the state as already noted in Part II. The problem is that Crotty claims that all institutional developments in the Republic after independence can be reduced to the effects of the “out of context” imposition of institutions that worked well in the Western capitalist sphere. We argued in Chapter 4 that the problem of the determinants of institutional development
It was also mentioned in Part II that the process of a nationalisation of Irish civil society is particularly weak when it comes to industrial development. It may well be that, but modern conditions of a capital-intensive agriculture imposed on Ireland was an alienation of the natural conditions of a community. As a consequence, the community's claim on the state determines the factor price neoclassical theory has shown) to use such a homogenisation notion of capital.

In a less generalised perspective, the class-consertation would have been possible to imagine a counterfactual scenario in which land reforms would have been pushed through more effectively. In such a scenario, the Irish middle classes would have been weaker, and the Irish middle classes would have been more successful in maintaining a relatively strong cooperative movement, in contrast to the situation in later sections. Here we shall only briefly trace the origins of the Irish middle classes, through the agrarian reform measures and the political brokering of the Conservative Party. Our study of the interaction between administrative development and political brokerage will be central to understanding these processes.

The following section shall specify how the development of the Irish state was crucially influenced by the process of nationalisation and by the Catholic Church.

Nationalism, Catholicism and the State

A unique feature of the Irish national mobilisation was its interaction with the Catholic Church. In much too stylised accounts of nationalisation processes, it is claimed that modernisation led to secularisation. Such characterisations may be described as delineating only the Catholic Church's role. In contrast, the Irish mobility was not linked to another religion. The impact of the Catholic Church dominated the development of the state apparatus.
against the conflicts and their Protestant harrowing adherents. As additional factors, Rokkan mentions the low level of urbanisation in Ireland, as well as the crucial fact that the Catholic Church never was a major owner of land.  178

The dominance of nationalist mobilisation, and the importance of the Church in this process, also helps us to understand the emergence of Ireland’s peculiar party system after independence. Garvin notes the existence of cleavages of the types which in the Nordic case gave rise to separate parties (labour/capital, Catholic/Protestant, Gaelic/English, urban/rural, centre/periiphery), and finds some traces of them in the Irish party system.  179 But he notes one major difference: “unlike popular Protestantism, and like continental Catholicism, Irish Catholicism is intensely bureaucratic and centralised, being very much a reformed Catholicism of the Counter-Reformation. It thus combined the strengths of popularity and centralisation.”  180 When political forces reminiscent of the Scandinavian ones developed, “these forces had to work in the context of a society integrated traditionally by a very united and authoritarian clerical bureaucracy with a long tradition of political leadership. Furthermore, the effect of the ecclesiastical and military models on the development of the Irish party organisations in the nineteenth century may have been to encourage the emulation of ecclesiastical organisational styles.” Added to this was the tradition of militant secret organisation. “These centralising and unifying influences were further intensified by the existence of single-party politics and by the extremely well-developed communications system which had put all of Ireland within a few hours reach of Dublin by the 1880s.”  181

Several scholars emphasise the long term importance of this interaction between national and Catholic mobilisation: “The basis for the Church and State partnership dates back to the mid-nineteenth century when the Church worked in close co-operation with Catholic political movements that won successive battles with the UK government to gain control over schools for Catholic children and to disestablish the local Episcopalian church. It also evolved a substantial role in the provision of hospital facilities. So, when the new southern State gained independence, the Catholic Church could build on its base as the ‘church of the people’ and on the shared experience of the long struggle against a foreign oppressive power.”  182

From this very powerful position, with strong influence on social policies, the Church exerted an influence on the family. Before the famine, women were essential to the family economy. But the destruction of cottage industry, the Famine and the pastoralisation of agriculture, squeezed the strata in which the status of women was most equal. The importance of women for the economy declined after the famine. The dowry became more important and there was a declining marriage rate of women (by 1926, 25 percent were unmarried at the age of 45, against 10 percent before the famine). Such a share of unmarried women was exceptionally high by international standards. Female emigration was thus higher from Ireland than from most other European countries. The age gap between man and wife increased (by the early 20th century, about 50 percent of the men were more than ten years older than their wife, against 20 percent before the Famine). This increased the control of the husband, who developed to be the only earner of the family. Farmers refused to dower more than one daughter. The Church emphasised the evils of sex and the virtues of disciplining the sexual urges of the young. As Lee writes, it was “crucial to maintain the economic dominance of the new order that all thoughts of marriage in Ireland should be banished from the minds of the majority of Irish youth.”  183

The Catholic Church was a crucial influence on the agrarian family relations which grew up after the Famine: the “stem family”, marked by impartible inheritance, the dowry system, and postponed marriage. Summarising his study of the influence of the Catholic Church in Ireland, Inglis distinguishes between two stages of modernisation. The first stage was the agrarian transformation away from the conditions which had brought the Famine (subdivision of farms increasing rural poverty): “the new moral discipline aided the adoption of postponed marriage, permanent celibacy and emigration. These practices became the principal means of consolidating farm sizes and raising the standard of living. Homes, like churches and schools, became well-ordered, supervised spaces in which there was a sense of time and place for everything, and everything was in its proper time and proper place.”  184 The second stage of modernisation may be connected to the phase which we have dubbed the Fordist mass production/ mass consumption phase, a phase whose roots are in the inter-war period, but which dominated the West European postwar Golden Age. We shall see below that Ireland was perhaps the only West European country which was not particularly influenced by this second stage of modernisation. According to Inglis, the Catholic Church was — due to its opposition to materialism, consumerism, and individualism — one of the inhibiting factors in this respect: “In effect, Ireland has gone through two stages of modernisation and it was because the initial stage took place in and through the Catholic Church, that the Church became such a powerful bloc in Irish society, thereby delaying the advent of the second stage.”  185

The importance of the connections between nationalism and Catholicism is also underpinned by the fact that similar connections can be traced in the other European Catholic country with a high degree of religious participation, namely Poland. The strength of the Catholic Church’s influence on social interaction in Ireland and Poland can be inferred from demographic indicators. Commenting on the very high fertility in the Irish case, Coleman writes: “The only circumstances in which Roman Catholic fertility differentials were important, or even detectable over and above the socially-economically expected level, were when Roman Catholicism acquired a particular authority through being a focus for the national sentiments of a minority in a larger population, when that minority were in a politically or otherwise disadvantageous position — that it was more connected with ethnocentrism and group survival. This formulation helps with the apparent Polish and Irish exceptions. In both, the Catholic church has been the only institution surviving as a focus for national identity during the absorption of the society into a wider polity. Neither has been a ‘Minority’ for seventy years, so the survival of this response for religious reasons in Ireland may seem surprising.”  186

This survival must obviously be related to the continued strength of the Church after independence, and its very close ties to the state, thereby influencing important social sectors. It became much more influential in matters of divorce, sexuality, and marriage than in any of the contrast countries (even in comparison with other West
mentality and social structure. The decline of the Irish Catholic Church in Ireland and the political setting remained virtually unscathed by the 19th and 20th centuries. All the contrast cases in this study developed a civil society, became more strongly linked together than in any of the contrast cases.

Mentality and Social Structure

We have seen that the period of modernisation in Ireland implied the establishment of emigration as a routine, as well as a major increase in the power of the Catholic Church. The importance of emigration for the modernisation of Ireland was briefly mentioned in Chapter 4.

This topic is the focus of this chapter. Lee argues that the Irish Catholic Church system is one that did not develop a civil society, as the clergy took over the role previously played by the Church, becoming the dominant elite on the island.

The size of the Irish Church in the 19th century increased significantly, while the Irish economy remained stagnant, leading to emigration as a solution to the problem of overpopulation. Lee argues that the Irish Church, with its influence over the Irish population, was a major factor in the decision to emigrate. The Church was not only responsible for providing religious guidance but also for economic advice.

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condition for the “devotional revolution”. It is also claimed that the Church contributed to emigration via “the clergy’s stifling impact on social life and personal expression”. The latter view (if correct) could be one mechanism by which Irish society forced its most innovative members to emigrate. The nationalists lamented emigration because it possibly drained Ireland of many potential entrepreneurs and consumers, but above all because it weakened mobilisation: without emigration as a safety valve, manifestations of discontent against British rule would probably have been stronger. The nationalists largely succeeded in arguing that national sovereignty would obviate the need for mass emigration. As we have seen, many of the foot-soldiers of the nationalist movement were landless labourers, farmers’ non-inheriting sons and urban workers. If the nationalist middle class leaders struck a bargain with the British, however, nationalist unity might be disrupted. The major dilemma was that “mass departure by the dispossessed and discontented would vitiate nationalist movements, while their presence in Ireland might disrupt or divert those movements into unacceptable channels.” The basis for this dilemma was that the material position of the leading nationalist groups depended on continuous emigration of the dispossessed and dispossessed: “their very affluence and authority derived from existing socio-economic structures and institutions which could not flourish or perhaps even survive if emigration ceased.” The middle class farmers and townspeople opposed further redistribution or nationalisation of land, as well as the cooperative movement, as we have seen.

To displace these realities, the myth of “Holy Ireland” was strongly emphasised, influenced by the papal crusade against secularism, by nationalist criticism of England, as well as by bourgeois sentimentalism. A religious myth inter-acted with a nationalist myth. Ireland was seen as traditional, indifferent to material wealth and to the “false Gods of urban-industrial civilisation.” Irish ideals implied a static, organic and paternalistic society, an agricultural economy, based on the peasant family. Such an understanding, as we have seen, was spread via the Church’s control of education. In sum, “the basic appeal of emigration as exile lay in its symbolic resolution of the discrepancies between the reality of social fragmentation and the ideal of organic community”.

Hannan and Commins have tried to locate the most influential farming interests geographically. The Western areas (Connaught and West Munster), were the most impoverished areas with the highest rates of emigration. As a result, between 1870 and the 1920s, economic rationalisation created a relatively diversified economy (with less than 50 percent being farmers or relatives assisting). Here was a “relatively comfortable small farmer class whose social structure appeared so stable and "traditional" that Arensberg and Kimball depended not only on functionalist explanations for the high degree of mutually supportive relationships present, but also on the cultural explanation of "immemorial custom": a custom, however, (...), had a very brief history indeed.”

Hannan and Commins accept Arensberg and Kimball’s description, that the institutionalised family interaction on these farms was marked by high gender differentiation in tasks, patriarchal authority relations, and highly differentiated emotional roles. In their account, these Western small farmers become an ideal type, representing the “overwhelming social and cultural conservatism” of Irish farmers, and thus, of the Irish social order as such. But they even state — in connection with the political influence of small farmers — that “the strongly nationalist minded small-holders of Connaught and West Munster” particularly dominated the Fianna Fail party. We shall return to this analysis in the final section of this chapter.

Like Miller, Hannan and Commins note the correspondence between the “historical dominance of the petit bourgeoisie”, and a “rural fundamentalist ideology”, which argued — in line with Catholic social thought — for the superiority of rural living and for agriculture as the basis of national prosperity.

The relationship between economic development and mentality has been a classic topic in sociology ever since Weber’s discussion of the Protestant ethic. Like Weber, we shall beware of moncausal answers in these matters. And contrary to Weber’s view, it must be emphasised that the influence of the Catholic church is perceived to relate, not so much to its ethic, as to its nature as a bureaucratic organisation which strives to maintain its position and influence in society. Catholicism has probably been one ingredient in the mentality discussed here, but in interaction with specific class relations, a specific pattern of nationalist mobilisation, and a peculiar process of agrarian adjustment.

We have seen that Lee argues that the possessor mentality spread from agriculture to the non-agricultural sector due to the slow pace of industrialisation. But given the fact that in an economy such as that of 19th century Ireland, the main linkages would have had to develop in interaction with agriculture, there might even have been a more direct connection. As soon as agriculture had experienced its initial modernisation, the stem family, encouraged by the Catholic church, became a force for conservatism, postponing by several decades a demographic transition in line with the rest of Western Europe. The thesis of a connection between the Church and the slow economic transformation has been rejected by L. Kennedy, but in view of the smoother agrarian and demographic adjustments in the contrast cases, it is hard to avoid the conclusion that such a connection did exist. As we have indicated, however, this connection interacted with several others.
12.1 IRISH ECONOMIC OPENNESS AFTER INDEPENDENCE

The position of Ireland in the international division of labour remained heavily dependent on exports to Britain until Ireland joined the EC in 1973. In 1929, 89 per cent of Irish exports went to the United Kingdom. This share did not fall during the trade war between the two countries (1932-1938), but by 1960 it had declined to 75 percent. Ireland was also dependent on imports from the United Kingdom. The import share of the U.K. remained stable at around 50 per cent between 1938 and 1968. Today, Ireland is a very open economy. Exports of goods and services were 60 percent of GDP for Ireland in 1985, only 40 percent for Austria.218

### Table 12.1

**Country Composition of Exports.**

<table>
<thead>
<tr>
<th></th>
<th>G</th>
<th>UK</th>
<th>US</th>
<th>NI</th>
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<tbody>
<tr>
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<td>0.7</td>
<td>85.3</td>
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<td>13.0</td>
</tr>
<tr>
<td>1930-39</td>
<td>1.8</td>
<td>85.9</td>
<td>1.2</td>
<td>11.0</td>
</tr>
<tr>
<td>1945-57</td>
<td>1.9</td>
<td>79.0</td>
<td>2.6</td>
<td>16.5</td>
</tr>
<tr>
<td>1958-68</td>
<td>3.9</td>
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<td>8.1</td>
<td>16.1</td>
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<td>+13.4</td>
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<tr>
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<td>4.2</td>
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<tr>
<td>1930-39</td>
<td>19.9</td>
<td>66.5</td>
<td>1.1</td>
<td>1.3</td>
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<td>19.7</td>
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<td>8.5</td>
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<tr>
<td>1924-29</td>
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<tr>
<td>1930-39</td>
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<td>62.6</td>
<td>12.9</td>
<td>1.9</td>
<td>5.6</td>
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<td>1945-57</td>
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<td>8.3</td>
<td>31.5</td>
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<td>24.8</td>
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<td>+23.2</td>
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<th>US</th>
<th>F</th>
<th>DK</th>
<th>NL</th>
<th>N</th>
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</thead>
<tbody>
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<td>36.6</td>
<td>15.3</td>
<td>8.0</td>
<td>8.8</td>
<td>5.2</td>
<td>6.8</td>
</tr>
<tr>
<td>1930-39</td>
<td>21.0</td>
<td>34.8</td>
<td>15.1</td>
<td>6.7</td>
<td>8.3</td>
<td>5.1</td>
<td>9.1</td>
</tr>
<tr>
<td>1945-57</td>
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<td>29.5</td>
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<td>22.3</td>
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<td>7.6</td>
<td>13.6</td>
<td>7.9</td>
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<tr>
<td></td>
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<td></td>
<td>+14.3</td>
<td></td>
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</tr>
</tbody>
</table>

**Note:** Percentages of export value at current prices. Percentages only out of the countries listed. "-" indicates reduction in U.K./British share. These data do not always seem to cover the full range of trade partners. For instance, no exports to France from Austria are listed. There is not an "others"-category. However, we have chosen to reproduce the data here, trusting that they give a rough overview. As a minimum, they give an impression of the countries' trade with Britain.

**Abbreviations:**
- G — Germany; U.K. — United Kingdom (Great Britain in the case of Ireland); U.S. — United States of America; F — France; N — Norway; SW — Sweden; R — Russia; CA — Canada; DK — Denmark; NL — The Netherlands; B — Belgium; A — Austria; I — Italy; CZ — Czechoslovakia; HUN — Hungary; POL — Poland, CH — Switzerland; YUG — Yugoslavia; NI — Northern Ireland.


Table 12.1 puts Ireland's trade dependence into a comparative perspective. Our six small European countries have been ranked according to the British share of their export earnings in four periods. Ireland's is more than 20 percent higher than the second in the first period and about 37 percent higher than the second ranking in the golden age of the 1960s. Thus, excepting Austria (with a British share below 10 percent), Ireland also shows the smallest reduction of the British share through these periods. All the other countries have a much more varied selection of trade partners. For the Nordic group, Britain had been the most important destination, but Germany seems to catch up during the postwar era. For the additional Continental European countries, Germany has been the most important trade partner, and its share has been increasing in the postwar period, but it is still much lower than the British share in Irish exports, and — more important — (West) Germany has been a booming economy and an increasingly sophisticated market through the postwar period, while Britain has been the famous stagnant case in postwar Western Europe. Thus, in relative terms, Ireland has suffered from its focus on the sluggish British market in the postwar era.219

It may be that this experience spurred Irish enthusiasm for membership of the EC, an enthusiasm which caused Irish politicians to choose to remain outside EFTA when that free trade area was formed in the late 1950s. Ireland only became linked to EFTA via its ties to Britain, that is as a consequence of the 1965 Anglo-Irish free trade area. This implied a link between Ireland and EFTA, one year before the full completion of EFTA's industrial free trade area.220
Since Table 12.1 may not be fully reliable in every respect, Table 12.2 provides more recent data for Ireland and one of the contrast cases, Austria. The 1963 numbers confirm the importance of the U.K. for Ireland and of Germany for Austria, but the Table also shows that into the 1970s and 1980s, the weighting of these dominant neighbours has diminished. In particular, the British share of Irish trade was halved in the 20 years between 1963-83. This trend will be commented upon later.

**TABLE 12.2**  
Country Composition of Exports — Ireland & Austria

<table>
<thead>
<tr>
<th></th>
<th>Austria</th>
<th>Ireland</th>
</tr>
</thead>
<tbody>
<tr>
<td>EC</td>
<td>49.9</td>
<td>49.2</td>
</tr>
<tr>
<td>Germany/UK</td>
<td>36.4</td>
<td>21.8</td>
</tr>
<tr>
<td>EFTA</td>
<td>16.6</td>
<td>18.2</td>
</tr>
<tr>
<td>Eastern Europe</td>
<td>17.5</td>
<td>11.9</td>
</tr>
<tr>
<td>Other OECD</td>
<td>6.4</td>
<td>9.0</td>
</tr>
<tr>
<td>Developing</td>
<td>9.6</td>
<td>11.7</td>
</tr>
</tbody>
</table>

Note: EC & EFTA figures apply to the member countries in the year in question. Germany refers to Austrian exports, U.K. to Irish exports. EFTA figures for Austria include Yugoslavia in 1963 and 1973.


Reflecting this trade dependence, the Irish pound remained fixed to sterling until 1978. The Irish banking system was well developed at an early stage. When Ireland was a region within the U.K., the Irish banks would channel much of Irish savings (which had mainly been the savings of the Anglo-Irish elites) into the British financial system. The fixed link with sterling implied a monetary union, lasting 150 years, with the U.K., continuing after independence and even after Ireland had entered the EEC. The sterling link added to inflationary expectations. On the other hand, it relieved Irish authorities from having to conduct an independent monetary policy, and it also removed any capital constraint. British conditions determined the interest rate and conditions for credit. Thus, in the financial sphere, Ireland continued as a British region, with no capital controls whatsoever. Only with its membership of the European Monetary System in 1978, did the Irish pound break the link with sterling.

### 12.2 THE 1922-32 PERIOD

Our bird’s eye view of Irish economic openness supports the conclusions often made about Ireland’s independence from England. Ireland gained political independence, but remained economically dependent. Analysing the first period of independence, we start at the socio-political level, to trace the complicated interaction between the nationalist legacy, reform of the existing state apparatus, and emulation as well as rejection of English political paradigms. We shall focus on the formation of the Irish party system and the post-colonial state apparatus.

### Social and Political Mobilisation

In Chapter 11.2, we compared the development towards civil war in Ireland and Finland. As a consequence of the different situations we analysed, very different party systems emerged: In Finland, the Socialist party was very strong, uniting rural and urban poor. In the interwar period, this homogenous left wing was split into moderate Social Democrats and a Communist party soon forced to go underground. With a certain lag, this system in the postwar period developed towards the Scandinavian ideal type of a homogenous left wing facing a split right wing.  

In Ireland, the pro-Treaty politicians in office organised the new party Cumann na nGaedheal (later renamed Fine Gael). Its mass appeal was weak, as the party organisation hardly amounted to more than a parliamentary coalition. As noted earlier, the elected Sinn Féin opponents of the Treaty boycotted the Dáil after the civil war. They were therefore forced to build an extra-parliamentary mass organisation to survive politically. But in 1926 Sinn Féin split on the issue of abstention from the Dáil. De Valera founded Fianna Fáil and that party re-entered the Dáil in 1927. It managed to attract the majority of Sinn Féin’s old mass following. Fianna Fáil was favoured by its superior party organisation.

Thus, the cleavage between different positions in the nationalist struggle generated the two main pillars of the Irish party system. According to Garvin, Irish nationalism produced an “ideological package” which was a “blended ideology of separatism, majoritarianism and Catholicism”. This became a permanent “belief system in Irish popular political culture”, with “very deep and old roots in the traditional culture”. The post-1922 party system was conditioned on the system of the pre-1922 period: “This earlier system was based on religious communal identity and, in the Catholic areas, it tended to be non-competitive, single party and factional, rather like the American Solid South”.

From these origins, both the main Irish parties developed into catch-all parties, with an increasingly blurred constituency. Thus, the Irish party system differs from the party systems of all the contrast cases. In Denmark, Finland and Sweden, the labour/capital cleavage interacted with nationalist or other kinds of cultural cleavages in the formation of the party system. That was the case even in Austria, and with the reconstruction of the party system there in the postwar period, the labour/capital cleavage was the main dimension defining ÖVP versus SPÖ (cf. Chapter 9). The Nordic countries were all homogenously Protestant. Austria is the only one among the contrast cases which is homogeneously Catholic, like Ireland, but as we have seen above, Austria has a cleavage between a secularised state and the Church, like the other continental Catholic countries. These countries all have one large Christian Democratic party opposed by other more secular parties. In Ireland, both the two large parties are nationalist, and thus ‘Catholic’. Switzerland, finally, has a party system which is not so strongly influenced by the labour/capital cleavage, but there, the party system is partly defined by religious pluralism, with
one large Catholic party, while the other important parties (liberal and radical) are tied to Protestantism. In sum, we can safely conclude that the Irish party system, dominated by two catch-all parties in a setting strongly influenced by homogenous Catholicism is unique among the cases we deal with, a uniqueness that most likely would be retained even if further West European cases were considered.

When the Irish Free State was formed in 1922, the state apparatus that was taken over consisted of a complex system of administrative units. There were 47 departments, numerous boards of commissioners and other executive offices. There had been a division of labour with Westminster, so when the new ministries were set up, many people had to be hired to do functions earlier done at headquarters offices in London. The general political framework was taken over from the British, with emphasis on liberal democracy and parliamentarism. So was the general model of administration, i.e. the British Westminster system with its classical theory of administration, based on the top-down administrative model, including the idea of ministerial responsibility (bureaucracy implementing the decisions of the government), and the division between execution and administration.

The Ministers and Secretaries Act of 1924 established a new system of administration, with 11 (later extended to 17) government departments, each controlled by a minister; a new judicial system in which unpaid magistrates were replaced by district justices; and an unarmed police force, the Civic Guard. In 1927, a system of state-sponsored bodies was added to the system of departments, bringing back, in a new form, the older system of autonomous boards. These bodies were under ministerial control, but outside the structure of the civil service. By the 1970s, there were about 80 such bodies.

However, neither the personnel of the bureaucracy, nor its size (about 25,000 civil servants) changed much. A commission which looked into the Irish Civil service in 1932-5, concluded that “the same main tasks of administration continued to be performed by the same staffs on the same general basis of organisation and procedure.” It also seems that the Irish Department of Finance continued to display the famous attitudes of the British Treasury-Central Bank complex. This Department of course controlled state finances, and remained under the same secretary from 1922 until 1957.

In the 1920s, the bureaucracy was very subservient. The bureaucratic elites, shielded by the tradition of the British civil service, wished to retain full neutrality towards the new regime. The Catholic preference for voluntary civil society activity over state intervention may also have influenced disinterest in economic development.

Concerning the electoral system, Ireland did not emulate the English single-member plurality system. But its particular version of a proportional representation (PR) electoral system still betrays strong influence from England. Ireland became the only country to implement the STV — single transferable vote — system in 1922. This system employs one list, comprising all the candidates of the constituency, regardless of party. It implies competition both between parties and between candidates from the same party. This particular PR system was launched first by a British pressure group (the “Proportional Representation society”), founded in the late 19th century to press for PR/STV in British elections. In 1911, they promoted STV as a way to defuse the Home Rule crisis, as it would secure minority representation. The Society hoped that success in Ireland would spur interest in electoral reform in England. As a result of this proposal, a PR Society was founded also in Ireland, and this pressure group influenced the choice of electoral system in the Republic. While STV is only one of many PR systems, in Ireland PR was for a long time simply identified with STV.

As noted in Chapter 11, in the 19th century, a clientelist system had developed between peasants and landlords. But this system was weakened as the land reforms created a stratum of peasant-proprietors, while the landlord class disappeared (moving to Northern Ireland or England) after 1923. The post-colonial state was dominated by the moderates of the revolutionary elite, with a middle or lower-middle class background. These became TDs, and established “political machines”. At that time, however, members of county councils (MCCs) had more influence on public benefits than the TDs. Thus the revolutionary elite, as TDs, competed not only among themselves, but also with MCCs. Within the STV-system, competition between politicians at various levels led to the competitive formation of clientelist networks. We shall later see how this competition developed, and discuss whether the electoral system was responsible for these problems.

William T. Cosgrave became president in August 1922. The Dail drew up a constitution. After the Civil War, the Cosgrave government functioned successfully; a national loan was secured; a Land Act completed the conversion of soil to ownership by tenant farmers; agriculture recovered from civil war ravages. In 1925 water power was developed (in collaboration with Siemens) to supply the whole country. In 1925 also the government accepted the decision of an international commission to maintain the boundaries with Northern Ireland. Their hopes that the counties with Catholic majorities (Tyrone, Fermanagh) would be given to the Free state were thereby frustrated. In exchange, however, the Free State was relieved of paying a share of Britain’s national debt. The government generally pursued national reconciliation.

**Socio-Economic Developments**

It has been mentioned that in 1841 one third of all Irish counties had more people in manufacturing, trade or handicrafts than in agriculture. Table 12.3 shows that in 1841, one fifth (20 percent) of the working population (700,000) were in textile manufacturing. By comparison, Denmark at that time had 20 percent of its labour force in all crafts and manufacturing industry together. From that time, the contraction of industrial employment started. In the process of decolonisation, as already mentioned, the Unionists succeeded in keeping Northern Ireland outside the republic. The political troubles thus created are just one side of this coin, the other being that the Republic became cut off from the island’s only industrial centre, with linen production, engineering and shipyards.

As a result of both partition and deindustrialisation, according to the 1926 Census of Industrial Production, the Irish Free State in the 1920s had only 8 percent of the
labour force in industry (about 100,000, with building, electricity and gas included). Only 4.3 percent—or 56,400 persons—were in manufacturing industry. The Danish share was up to 29 percent in 1921 and 33 percent in 1930. As for agriculture, in 1926, 55 percent of the male labour force was in family employment.

As a point of comparison with Ireland’s partition, it should be noted that Denmark in 1864 lost Schleswig/Holstein to Prussia, thereby losing 40 percent of her population, including the most advanced industrial areas. Denmark’s famous response was to “win internally what had been lost externally”. This gave rise to large projects of land reclamation in Jutland. We have earlier mentioned the judgement that the exclusion of Schleswig/Holstein benefited Danish industry by keeping out a number of very competitive firms. As we have seen, industrialisation in Denmark was not linked to one specific area comparable to Belfast in Ireland. This confirms the earlier analysis of the stronger nature of agro-industrial ties in Denmark.

**TABLE 12.3**

<table>
<thead>
<tr>
<th>Labour Force Developments, 26 Counties 1841-1911</th>
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<tbody>
<tr>
<td>Ir. labour force (mill)</td>
</tr>
<tr>
<td>------------------------</td>
</tr>
<tr>
<td>1841 2.7</td>
</tr>
<tr>
<td>1911 1.3</td>
</tr>
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</table>


Despite the loss of the industrialised Belfast region, there was optimism concerning the development of an indigenous industry. The liberal prerequisites for industrialisation were seemingly in place: low taxation, absence of national debt, no heavy burden of military spending, large external capital reserves, an extensive banking system, a large supply of labour, a high level of literacy, an extensive railway network and good communications. Emigration meant that a large surplus of poor people left the country. The Catholic middle class, including the farmers, had been strengthened, and such owner-occupier farmers—according to Senghaas—are an important condition for interactions between agriculture and industry. But Ireland failed to industrialise. The problems of industrial development, which had already been clearly visible before independence (cf. Chapter 12), continued throughout the interwar period.

In the first period, Irish trade relations with the United Kingdom were unrestrained by the political break of 1922. The Irish government stuck to free trade as it considered good economic relations with Britain to be a precondition of stability. This policy accorded well with the better-off farm interests (commercially, export-oriented agriculturalists) that dominated the Cumann na nGael Party. We have also seen that the bureaucracy wanted to remain as passive as possible. High agricultural prices were seen as more important than self-sufficiency and the reduction of unemployment. The political opposition in the Dáil was weak, as the more radical nationalist elements abstained from parliamentary participation until 1927. The consumer interests which were hit by high prices had the option to emigrate instead of fighting for different policies. There were few established home industries with an interest in protection.

**TABLE 12.4**

<table>
<thead>
<tr>
<th>Sectoral Composition of Irish Manufacturing Industry</th>
</tr>
</thead>
<tbody>
<tr>
<td>1929</td>
</tr>
<tr>
<td>Food</td>
</tr>
<tr>
<td>Employment</td>
</tr>
<tr>
<td>Gross output</td>
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<tr>
<td>Exports</td>
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<tr>
<td>Drink &amp; Tobacco</td>
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<tr>
<td>Employment</td>
</tr>
<tr>
<td>Gross output</td>
</tr>
<tr>
<td>Exports</td>
</tr>
<tr>
<td>All others</td>
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<tr>
<td>Employment</td>
</tr>
<tr>
<td>Gross output</td>
</tr>
<tr>
<td>Exports</td>
</tr>
</tbody>
</table>

Note: Employment and gross output as percentages of the total. Exports as a percentage of gross output.


Table 7.1 provided a rough overview of the components of a national innovation system. The Danish innovations, as we have seen, were crucially influenced by the cooperative movement (cf. the comparison with Ireland in Chapter 12). In Table 7.1 “interactive learning” between the firm and the public was one of the important relations. But Ireland, with its weak manufacturing sector at independence, was clearly in an unfavourable position with respect to such learning.

The broader educational system is an important aspect of the national system of innovation. As we have seen, as a result of the importance of the Catholic Church during the process of nationalist mobilisation, the impact of the Church on these matters has been stronger in Ireland than anywhere else in Europe. All first level and most of second level education were under direct Church control. Despite the formal similarity of high levels of literacy, the Nordic countries had much more secular educational systems. Furthermore, the Irish educational system took over many elements of the British tradition, with its strong humanistic orientation towards letters and the liberal arts, while both the Nordic and the Alpine countries were influenced by the German model with more emphasis on technical matters and linked
12.3 THE 1930S AND WORLD WAR II

Socio-Economic Developments

The world economic crisis of the 1930s changed Irish trade policy dramatically. Emigration was reduced. According to Figure 12.8 below, yearly net migration went below 10,000 in 1931-33 and there was even net immigration in 1939-40. This increased the pressure to create employment in Ireland. Fianna Fáil had entered Irish politics as the radical nationalists had withdrawn their boycott of parliamentary activities. The new party propagated a protectionist policy to reduce economic dependence on Britain, as well as to provide employment and reduce emigration. The Fianna Fáil ideology of isolationist nationalism was more in line with working class interests than the earlier policy. The working class was mainly employed in smaller firms (cf. all others in Table 12.4). But it was above all in the interest of smaller farmers, which were mainly home market oriented. In agriculture, Fianna Fail encouraged a policy of mixed farming, emphasising tillage. De Valera ruled with only two breaks from 1932 to 1959.

Industrial protectionism would create employment through import substitution. The first phase of this policy was the economic war with Britain, followed by isolation during World War II. But even through this period, foreign ownership remained important, as many foreign (especially English) firms kept their plants to preserve Irish sales. This experience Ireland shared with third world countries which embarked on a protectionist, import-substituting strategy at that time (e.g. most Latin-American countries).

Table 12.5 summarises the commodity composition of Ireland’s foreign trade. The legacy from the 1820-1920 period is clearly visible in the dominance of specific agricultural items, especially live animals and foodstuffs. The share of Irish agricultural exports was increasing during the interwar period and the share of manufacturing exports was declining. The continuing dominance of live animals exports indicates the inability of Irish exporters to increase the share of products with a higher value added. Manufacturing exports remained low until the 1950s.

Imports were dominated by unfinished goods and finished consumer goods, but their proportions changed during the 1930s due to the Irish import substitution strategy supported by high tariffs. The share of imported finished consumer goods was declining. However, import substitution increased the need to import inputs for the new industries. This is indicated by the increased share of ‘other materials for further production’. Thus import substitution was changing the country’s foreign dependence rather than removing it: “In some respects this made the country even more dependent on the international market since now employment, as well as consumption, depended on being able to import.” Despite a serious balance of trade deficit, Ireland did not experience a balance of payments constraint. Apart from substantial foreign reserves (dating back to the boom in agricultural prices during World War I), this is explained by Ireland’s peculiar financial integration with Britain (investment income, British pensions, sweepstake receipts), and its “labour market integration” with both Britain and the U.S. (emigrants’ remittances). The opposition of agriculture towards industrial protectionism was limited due to the few industrial inputs of the extensive cattle agriculture.

Table 12.5

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<th></th>
<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Live animals</td>
<td>42</td>
<td>50</td>
<td>42</td>
<td>38</td>
<td>30</td>
<td>14</td>
<td>5</td>
<td>3</td>
</tr>
<tr>
<td>Other food</td>
<td>33</td>
<td>31</td>
<td>35</td>
<td>35</td>
<td>30</td>
<td>33</td>
<td>30</td>
<td>20</td>
</tr>
<tr>
<td>Beverages &amp; tobacco</td>
<td>11</td>
<td>10</td>
<td>7</td>
<td>7</td>
<td>5</td>
<td>3</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Crude materials, fats and oils</td>
<td>12</td>
<td>8</td>
<td>16</td>
<td>8</td>
<td>10</td>
<td>10</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>Manufactures</td>
<td>—</td>
<td>—</td>
<td>7</td>
<td>19</td>
<td>36</td>
<td>54</td>
<td>64</td>
<td>—</td>
</tr>
<tr>
<td>Other</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td>6</td>
<td>6</td>
<td>4</td>
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</table>

<table>
<thead>
<tr>
<th>Materials for further production</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture</td>
</tr>
<tr>
<td>Other</td>
</tr>
<tr>
<td>Unclassified</td>
</tr>
</tbody>
</table>

Note: * Export figures: new basis. For 1929, 1938 and 1950: manufacturers are included with crude materials, fats and oils.


Industrial employment increased strongly in the protectionist phase. O’Malley claims that such a growth was anomalous among European countries, but corresponds to the experience of Argentina, Brazil, Chile, Mexico, and South Africa. With industrial employment indexed at 100 in 1931, O’Malley shows that it had risen to 150 by 1938. This was perhaps anomalous compared with large European countries, and possibly also with Austria and Switzerland, which were quite seriously affected by the interwar crisis. But O’Malley is not correct with respect to the Nordic contrast countries. Finland’s industrial employment probably grew faster than the Irish. Index numbers for Denmark and Sweden in 1938 were 135 and 120 (with 1930=100). It is difficult to refute the barriers to entry approach with reference to this period, since the rise of industrial employment in the Nordic...
countries might in itself be explained by this approach, that is by protectionist trade policies. The fact, hinted at several times above, however, that industrialisation in the Nordic countries gained pace during the free trade era of the 19th century, leads us to conclude that the effects of barriers to entry are not absolute: they may be counteracted if a relatively solid national system of innovation develops.

Ireland’s import substitution strategy — unlike the Latin-American countries — experienced a setback during the war. This was mainly due to its one-sided dependence on England. There were numerous bottlenecks, such as a lack of materials, fuel imports, etc. Irish industrial expansion 1929-51 related to consumer goods and technically mature intermediate products. While such infant industries grew, they were not able to transform themselves into exporting firms. This, as well as the fact that a major crisis developed in the 1950s (as we shall see), supports our general view that Ireland — unlike all the other contrast countries — had not developed a well functioning national system of innovation in the interwar period.

Social and Political Mobilisation

Before independence, autonomous working class mobilisation had been displaced by religious and nationalist mobilisation. Working class politics remained weak after independence. As Table 12.3 showed, Ireland was left as a largely rural area, with a significantly reduced proportion of urban working classes. The proportion of rural labour was also reduced by emigration. The tradition of mass emigration made “protesting with one’s feet” an easy “exit alternative” to “political voice” and may have siphoned the working class and other potential opposition groups of their most able spokesmen. This is a major difference compared to our contrast cases. While the start of the Irish Republic implied deindustrialisation, we have seen that the contrast cases were all industrialising. Already before World War I, Finland, the case closest to Ireland, had sold sophisticated products in the Russian market and unsophisticated products in western markets.

In Chapter 8 we analysed the conditions for Sweden’s turn to a “voice” strategy. As Table 12.6 above shows, union density was much lower in Ireland than in both Sweden and Denmark during the 1930s, and as we also showed, union density in crucial Swedish industrial sectors was even higher (Table 8.1).

<table>
<thead>
<tr>
<th>TABLE 12.6</th>
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<table>
<thead>
<tr>
<th>Year</th>
<th>Fianna Fáil</th>
<th>Fine Gael</th>
<th>Labour</th>
<th>Clann na Táilme</th>
<th>Clann na Poblachtach</th>
<th>Others</th>
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</thead>
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<tr>
<td>1932</td>
<td>44.5</td>
<td>35.3</td>
<td>7.7</td>
<td></td>
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<td>12.5</td>
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<tr>
<td>1933</td>
<td>49.7</td>
<td>30.5</td>
<td>5.7</td>
<td></td>
<td></td>
<td>14.1</td>
</tr>
<tr>
<td>1937</td>
<td>45.2</td>
<td>34.8</td>
<td>10.3</td>
<td></td>
<td></td>
<td>9.7</td>
</tr>
<tr>
<td>1938</td>
<td>51.9</td>
<td>33.3</td>
<td>10.0</td>
<td></td>
<td></td>
<td>4.8</td>
</tr>
<tr>
<td>1943</td>
<td>41.9</td>
<td>23.1</td>
<td>15.7</td>
<td>10.6</td>
<td></td>
<td>4.8</td>
</tr>
<tr>
<td>1944</td>
<td>48.9</td>
<td>20.5</td>
<td>11.5</td>
<td>12.1</td>
<td></td>
<td>7.0</td>
</tr>
<tr>
<td>1948</td>
<td>41.9</td>
<td>19.8</td>
<td>11.3</td>
<td>5.4</td>
<td>13.1</td>
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<tr>
<td>1951</td>
<td>46.3</td>
<td>25.7</td>
<td>11.4</td>
<td>2.9</td>
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<td>9.6</td>
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<tr>
<td>1954</td>
<td>43.4</td>
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<td>12.0</td>
<td>3.1</td>
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<td>2.3</td>
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<td>43.8</td>
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<tr>
<td>1965</td>
<td>47.8</td>
<td>33.9</td>
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<td>1969</td>
<td>45.7</td>
<td>34.1</td>
<td>17.0</td>
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<tr>
<td>1973</td>
<td>46.2</td>
<td>35.1</td>
<td>13.7</td>
<td></td>
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<td>5.0</td>
</tr>
<tr>
<td>1977</td>
<td>50.6</td>
<td>30.5</td>
<td>11.6</td>
<td></td>
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<td>7.2</td>
</tr>
<tr>
<td>Mean</td>
<td>46.4</td>
<td>29.8</td>
<td>11.6</td>
<td></td>
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<td>8.2</td>
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</tbody>
</table>


As we have seen in Part III, the interwar period was characterised by labour mobilisation in all the Nordic countries. Even in Finland, the Nordic pattern can be traced. Despite the fact that Finland had the strongest Fascist movement in
Scandinavia, the "red alliance," emerged in the early 1920s. It was a reaction by the labor parties in Sweden and Norway to the agrarian unrest in the late 1910s and early 1920s. The Swedish Social Democrats, under the leadership of Olof Palme, were able to make significant inroads into the rural electorate, particularly among farmers who were dissatisfied with the traditional parties' lack of support. In Norway, the Labor Party, led by Christian F. Skram, also benefited from the agrarian unrest, particularly in the west where the Party focused on rural issues.

The two parties, which had previously been relatively insignificant, were able to take advantage of the economic and political conditions of the early 1920s. The Great Depression had hit Europe hard, and the Swedish economy was particularly hard hit. The Swedish trade unions were able to negotiate better wages and working conditions, and the Social Democrats were able to attract many new voters with their promises of social reform and economic policies that were directed towards the working class.

In Norway, the Labor Party was able to attract voters by focusing on social and economic issues, particularly in the area of rural development. The Party was able to attract many voters who were dissatisfied with the traditional parties' lack of support for rural areas.

The emergence of the "red alliance" had a significant impact on the political landscape of Europe. It was a clear indication of the growing strength of the left in European politics, and it was a harbinger of the changes that were to come.

The "red alliance" was also a direct result of the labor movement's ability to organize and mobilize workers. The labor movement had been active in Sweden and Norway for many years, and the "red alliance" was able to build on this legacy to create a strong political base.

The success of the "red alliance" was also due to the fact that the two parties were able to present a coherent and attractive political program. The Swedish Social Democrats, under the leadership of Olof Palme, were able to present a program that was focused on social reform and economic policies that were directed towards the working class. The Norwegian Labor Party, led by Christian F. Skram, was also able to present a program that was focused on social and economic issues, particularly in the area of rural development.

The "red alliance" was a clear indication of the growing strength of the left in European politics, and it was a harbinger of the changes that were to come. The success of the two parties was also due to the fact that they were able to build on the legacy of the labor movement and to present a coherent and attractive political program.

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In the late 1940s, two coalitions emerged within the Irish bureaucracy. One promoted deflation as the standard answer to any economic problem, and its base was the Finance Department and the Central Bank. This deflationist faction feared both inflation and the establishment of new bureaucratic bodies that would be outside their control. The expansionists, partly based in the Department of Industry and Commerce, wanted to encourage export-oriented investments and control of industry in order to make it more efficient. The latter was not at all achieved. The expansionists in 1949 succeeded in founding The Industrial Development Authority (IDA). Due to the opposition of the deflationists, it was not designed to control existing industry, but was given the aim of initiating proposals to attract foreign industry. At first it did not give out grants, but with the Industrial Grants Act of 1956 it was given powers to issue grants that covered the cost of land and industrial buildings.

By 1948, the cold war had come to dominate international relations, and the U.S. offered Marshall Aid to the Western European countries, both to secure an outlet for U.S. exports, but mainly to establish Western Europe as a secure bridgehead against alleged Communist expansionism. Despite its neutrality, Ireland was also offered aid. This was favoured by the expansionists, and opposed by the deflationists. The links to the old and the new hegemon are here clearly visible: the deflationists had strong ties to Britain. The Bank of England was very influential in the Irish financial community, and the British government was eager to limit dollar imports. The new U.S. "Atlanticist" policy makers, however, sided with the expansionists. The U.S. was generally in favour of liberalisation of trade in order to restore prosperity in Europe, particularly emphasising that only in that way could Western Europe begin to pay for her own defence. Acceptance of Marshall Aid money required that the receiver countries allow the Marshall Aid administration to influence its economic policies. All the receiver countries had to join the OEEC (the organisation of those countries receiving Marshall aid). This U.S. influence implied major support for the expansionist position: U.S. officials emphasised that Irish investments should be productive, rather than just purchase of "British or other securities". Both the IDA and the exports board, as well as investment grants schemes, were results of influence from the ECA (the American Marshall Aid administration) and the OEEC.

In 1948, a 16 year long period of Fianna Fáil rule came to an end. The measures of liberalisation which passed in the 1949-51 period came during a Fine Gael-led government. Further liberalisation followed in 1954-7, also during a Fine Gael-led government. But both large parties supported these measures. As we shall see, this was largely because of external pressure from the OEEC and experience with grave economic problems in Ireland.

In the period 1949-51, the OEEC pushed for liberalisation of trade by requiring removal of quantitative import restrictions: 50 percent of all import quotas should be removed in 1949, 60 percent in 1950 and 75 percent in 1951. The Marshall Aid and use of Ireland’s sterling reserves helped improve the economic situation. But this only spelled temporary success for the expansionary lobby. The balance of payments had been in surplus during the war since imports had been restrained. But a 1951 record balance of payments deficit triggered off deflationary measures. This generated a recession in 1952. In 1955 a new, high balance of payments deficit again gave rise to deflation, followed by a more severe recession. There was very little growth of employment in industry, except for the dominant sector of food, drink and tobacco (see Table 12.4). Only 900 extra jobs were created in indigenous new industries. Unemployment was as high as in Denmark. The deflationary policies of the 1951-56 period indicated the hegemony of the Finance Department and the Central Bank.

In the midst of the 1955 recession, the OEEC required the removal of 90 percent of import quotas. Even the expansionist faction in Ireland feared these requirements. In particular, it was feared that quota reductions would be followed by tariff reductions. An Industry & Commerce Department Memorandum on "OEEC Liberalisation of Trade" dated March 1955 claimed that Irish industrial development would require relatively high tariff protection compared with other European countries, the reason being "our proximity to and contacts with Britain and our late start in the industrial field". Adherence to OEEC’s required quota reduction could mean that Ireland sacrificed “the right to afford protection by way of quota at the very point when it is likely to be most needed”, i.e. at the point where import-substitution was to go from the obvious and easy sectors (e.g. textiles) to more complicated sectors. Still, the Irish authorities followed OEEC’s suggestions. The economic crisis was at its deepest, and the Irish authorities also feared that expulsion from the OEEC would break Ireland’s ties both to Britain and to the rest of Europe.

**FIGURE 12.8**

*Net Migration from Ireland 1926-1989*

![Net Migration from Ireland 1926-1989](image)

*Note:* In thousands. Positive numbers represent net emigration, negative numbers indicate net immigration.

By 1956, the effects of the deflationary cure were obvious: declining output, GNP and employment. The agricultural labour force continued to decrease, and the total labour force fell dramatically. Emigration was booming: Figure 12.8 plots net emigration, which reached its all-time record level in 1957 (when close to 2 percent of the population emigrated), and was generally very high (above 30,000 per year) in the whole period 1948-58. This was a return to the level of the 1880s. Although data are fragile, it also seems that Britain replaced the U.S. as the main destination of Irish emigration, cf. Table 12.9.

These symptoms indicated the exhaustion of the import-substitution industrialisation strategy. As we saw earlier, throughout the phase of indiscriminate protection, it turned out that imports of capital goods, and other advanced goods that could not be produced domestically, continued to grow. As the demand for protected simple industrial goods was saturated, the small home market and negligible industrial exports reduced the possibility to proceed to production of more advanced industrial goods. This economic policy experience was shared by Latin America, and later also by the decolonised countries in Africa and Asia.

| TABLE 12.9 |
| Migratory Outflow Percentage of Emigrants To Main Destinations |
| U.S. | GREAT BRITAIN |
| 1881-91 | 83 |
| 1891-1901 | 92 |
| 1901-11 | 90 |
| 1911-12 | 84 |
| 1926-31 | 85² |
| 1931-36 | 91² |
| 1936-41 | 91² |
| 1941-46 | 100 |
| 1946-51 | 83 |
| 1951-56 | 83² |
| 1961-71 | 63² |
| 1971-81 | 12³ |
| 1981-90 | 14 |

¹ All emigration to the US as a percentage of total net migration.
² All net emigrants not moving to US or other overseas.
³ Destinations as a percentage of total net migration.

Source: Calculated from NESC, The Economic and Social Implications of Emigration, Report No. 90, Dublin, March 1991, Table 2.6.

The crisis of 1956-7 changed the balance between expansionists and deflationists leading to the introduction of a strategy of export-led industrialisation. It seems that in this process of change, indigenous Irish business was quite absent, being discredited by its performance since 1945, and also split on many issues.

Trying to explain this change of strategy, O’Hearn assumes that there is a choice between, on the one hand, a policy package involving selective protectionism, state interventionism and efficiency-oriented industrial policies, and on the other hand, export-led “industrialisation by invitation”. In his account, he equates the strategies of the U.S., as a hegemonic great power with the interests of transnational capital (TNC), as represented, he claims, by institutions such as the OEEC, the Marshall Aid administration, the International Monetary Fund and the World Bank (Ireland had joined the latter two in 1957). O’Hearn clearly finds part of the explanation for Ireland’s choice of an export-led strategy in TNC interests.

However, as we have noted, U.S. strategies were also motivated by geo-political considerations, and more importantly, there were many smaller European countries (such as Denmark, Sweden, Norway) which, subject to the same U.S. pressure (via e.g. the OEEC), liberalised their trade in a similar way. In none of these cases, however, was indigenous industrialisation hampered the way it was in Ireland, neither earlier in the postwar period, nor later (that is, before the crisis of the 1970s). While the 1950s became a lost decade for Ireland, performance was more promising in all our contrast cases. In the 1950-60 period, Ireland’s total output grew by 1.7 percent, while Austria (5.8), Finland (5.0) and Switzerland (4.4) were above or at the West European average (4.4). Even Sweden (3.4) and Denmark (3.3) had twice as high a growth rate as Ireland.²⁷¹ Irish industrial employment declined, and only in 1961 was the 1951 level reached again. In all the contrast cases, manufacturing employment increased: with 1951 equal to 100, Austria was at 112 in 1961,²⁷² and the other contrast countries had by 1960 reached: 110 (Denmark), 106 (Finland), 115 (Sweden) and 124 (Switzerland), while Ireland was at 97.²⁷³

Clearly there was international pressure on Ireland, first connected to the tension between the U.S. and England, and later mediated through international economic institutions (such as the OEEC) which reflected U.S. interests in trade liberalisation. The specific responses to this pressure, however, were largely determined by internal relations, specific to each country. In all our contrast cases, ongoing industrial transformation was stimulated. Ireland, on the other hand, responded to a situation with very sluggish development of domestic manufacturing industry by a strategy of industrialisation by invitation. Making this choice, Irish politicians and civil servants responded to a genuine and grave domestic crisis.²⁷⁴ As we shall see next, a similar crisis-consciousness also evolved in Denmark at the same time.

12.5 SOCIO-ECONOMIC DEVELOPMENTS IN THE GOLDEN AGE PERIOD — 1958 TO 1973

We saw in Chapter 9 that Denmark experienced a major change in economic development around 1958. This change produced Denmark’s “second industrial revolution”, based on indigenous entrepreneurship. In Ireland, there was a similar awareness of the need for change, as the view of the expansionists was now accepted. In Lee’s terms, the 1958 government in which Sean Lemass was Minister for Trade and Commerce, represented an attempt to break the power of the Irish “possessor” ethos, inserting instead the performance principle.²⁷⁵ Their solution, however, was not the cultivation of domestic entrepreneurship, but the import of foreign
entrepreneurship. The 1958 *Programme for Economic Expansion* promoted the new outward-oriented strategy.

As for the postwar period, all the contrast cases, as already hinted at several times, could successfully hook on to the spread of the technologies linked to what the Neo-Schumpeterians call the fourth or "Fordist" (or mass production/mass consumption) long wave. In Ireland, this process of adaptation started much later, in the form of industrialisation by invitation. According to Kennedy, the new strategy had three elements: (i) substantial capital grants and tax concessions to encourage export-oriented manufacturing, (ii) the attraction of foreign manufacturing enterprise, again aimed at exports, and (iii) the dismantling of protection in return for greater access to markets abroad."

The first element relied on a complex of state sponsored bodies with the IDA as its core. The Industrial Grants Act of 1959 transferred grant-giving to *An Foras Tionscal (Grants Board)*, which had been established under a 1952 Act, to supply grants for development in undeveloped areas. From 1966 this institution could set up industrial estates with advance factories. It merged with the IDA (maintaining that name) in 1969. The IDA is responsible to the Minister of Industry and Commerce, but it is quite autonomous. Grants were given as shares of plant/machine costs and of buildings/land costs. There are also additional grants for training and r&d. A major condition for a firm which wants to receive a grant is industrial competitiveness, so only export-oriented firms receive grants in practice. There are also separate organisations for the Shannon Free Trade Zone (SFADCO) and for the Gaeltacht (the Irish speaking zone in the west).

In 1956 an Export Profit Tax Relief (EPTR) was also introduced. It gave a tax remission on the increment of profit on exports over the previous year (50 percent in 1956, 100 percent in 1958). In 1960 the tax relief period was extended from 10 to 15 years. The idea was that the EPTR would be terminated in 1979/80, but it was extended to 1989/90. Due to EEC objections, however, it was abolished. Instead there are now low taxes on corporations (10 percent on all manufacturing since 1981 and up to 2000). The Industrial Development Act of 1958 contained further encouragements, including waiving of the Controls of Manufactures Act (from the protectionist period). This was wholly repealed in 1964, meaning that there was now no restriction on foreign ownership and control, and no restraints on repatriation of profits. These arrangements involved a considerable drain on State finances: "The incentive package involved a large and growing exchequer subsidy, and some estimates put the annual amount involved in the 1980s at the equivalent of nearly one-third of total manufacturing value added." As for the second element of the strategy, the attraction of foreign firms, the concessions mentioned above were available. The attraction of foreign firms was no goal in itself. The main idea was that existing Irish firms would develop a broader export orientation, and that new firms would supplement them. However, as we shall see, the result was an inflow of foreign direct investments with only minor linkages to indigenous Irish firms.

Free trade was a distinct, third element in the new Irish strategy. As we have seen, quotas had been dismantled, but tariffs were still quite high in 1959, when the two other elements of the strategy were in place. The move to free trade followed in connection with the general West European turn to freer trade in the late 1950s. Ireland was not interested in EFTA membership, since it gave no further advantages: its manufacturing production (however small) had free access to the British market. Following Britain, Ireland applied for EC membership in 1961. A Commission on Industrial Organisation was set up to prepare for freer trade. Many problems were brought up, and "adaptation councils" (as well as adaptation grants) were established. However, de Gaulle's famous veto blocked British EC membership (and thus also Irish) in 1963. Instead Ireland implemented unilateral tariff reductions in 1963 and 1964. In December 1965 a full Anglo-Irish free trade area was established, according to which Ireland was to remove all protection against British manufacturing imports in 10 years. From January 1973, Ireland similarly agreed to remove all protection against EC manufacturing industry in five years.

As a consequence of the new outward-oriented industrial policy, a layer of foreign, multinational firms has been added to the Irish industrial structure since 1958. In the North-European area, the Irish economy is uniquely dependent on multinational firms. They are attracted not by favourable natural resources, but by extraordinarily generous government subsidies, grants and export tax reliefs provided by the Irish state. In the 1960-70 period, 74 per cent of industrial development was based on foreign capital.

In fact, Ireland has been — together with Puerto Rico - a pioneer country when it comes to attracting foreign investors. The Teleis report in 1982 concluded that, in a comparison of five countries, Ireland always proved to have the most favourable package of benefits for foreign investors, and Irish institutions (IDA, SFADCO) were very effective in providing information about investment opportunities. Ireland could sustain higher wages than many third world host countries, since its favourable location, political “reliability” and similar factors reduced the risk, uncertainty and information costs for foreign investors. The latter was particularly important for small and inexperienced foreign investors. In sum, “one gains the impression that the incentive package for investment in industry and in exports particularly, and the scale and efficiency of the effort to attract foreign investment, amount to one of the most highly intensive and effective of the kind among competing countries.”

In comparison with our contrast cases, this conclusion is borne out by Table 12.10. On all the indicators 1 to 3, Ireland ranks well above the contrast cases. As for the percentage of employment (indicator 4), Ireland is superior in most cases, only surpassed by Austria in food and drink, paper and stone. As for the crucial electrical and engineering sectors, data unfortunately do not allow comparisons, but Austria seems quite high here. The strongest contrasts are of course with Switzerland and Sweden, in which outward foreign direct investment is the dominant feature.
### TABLE 12.10
Indicators of the Significance of Inward Foreign Direct Investments or the Activities of Foreign-based Companies to the National Economy

<table>
<thead>
<tr>
<th>1. Direct capital stock of foreign affiliates at book value as a proportion of GNP at factor cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>21.68</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2. Employment in foreign affiliates as a percentage of all employment in (a) manufacturing industry, (b) all industry, (c) Exports of foreign manufacturing affiliates as a percentage of all manufacturing exports.</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a)</td>
</tr>
<tr>
<td>(b)</td>
</tr>
<tr>
<td>(c)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>3. Capital stock due to inward investments as (a) a percentage of GNP, (b) per head US$1982.</th>
</tr>
</thead>
<tbody>
<tr>
<td>IRL</td>
</tr>
<tr>
<td>(a)</td>
</tr>
<tr>
<td>(b)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>4. Percentage share of employment accounted for by foreign affiliates in selected sector</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food &amp; Drink</td>
</tr>
<tr>
<td>Chemicals &amp; Allied</td>
</tr>
<tr>
<td>Metals</td>
</tr>
<tr>
<td>Mechanical Eng.</td>
</tr>
<tr>
<td>Elect. Equip.</td>
</tr>
<tr>
<td>Other transport Equipment</td>
</tr>
<tr>
<td>Textiles &amp; Clothing</td>
</tr>
<tr>
<td>Paper &amp; Allied</td>
</tr>
<tr>
<td>Stone, Glass &amp; Clay</td>
</tr>
<tr>
<td>Timber &amp; Furniture</td>
</tr>
<tr>
<td>Other Manuf,</td>
</tr>
</tbody>
</table>

1. Includes mechanical equipment.
2. Includes mechanical engineering and other transport equipment.
3. For Ireland, including electrical equipment, other transport equipment, rubber and coal and petroleum products.


---

Table 12.11 shows that the U.S. was the main investor in Ireland in 1981, with the UK second. Only nine countries (Brazil, Mexico, Philippines, India, Malaysia, Argentina, Taiwan, Venezuela and Singapore) have a larger share of total U.S. foreign direct investments (and this indicator signifies the importance of foreign direct investments (FDI) generally). Ireland’s share was 2.3 percent by 1985. Ireland may have a world record in U.S. FDI per capita.²³²

### TABLE 12.11

<table>
<thead>
<tr>
<th>MAIN SOURCE COUNTRIES</th>
<th>US</th>
<th>EEC</th>
</tr>
</thead>
<tbody>
<tr>
<td>USA</td>
<td>62.7</td>
<td></td>
</tr>
<tr>
<td>EEC</td>
<td>37.3</td>
<td></td>
</tr>
<tr>
<td>of which:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>West Germany</td>
<td>4.8</td>
<td></td>
</tr>
<tr>
<td>UK</td>
<td>32.5</td>
<td></td>
</tr>
</tbody>
</table>

Total foreign direct capital stock: 2259.5 million IRE in 1981.

1. German investments not included.
2. Includes U.S. investments in property.


Foreign firms that have received grants payable since 1952 (designated areas) or 1956 (other areas), increased their share of manufacturing employment from 1.7 in 1960 to 6.2 percent in 1973. Counting all foreign firms, their share of manufacturing employment increased from 30.7 in 1973 to 41.5 in 1987 (two-thirds of these firms had been started since the 1950s). The gross output of new foreign industry as a percentage of total gross output increased from 2.3 in 1960, to 15.9 in 1973 and 39.9 in 1985.²³² In the 1980s, employment in foreign-owned industries declined. The export share of output (1980) was about 85-90 (in new foreign industry) and about 70 percent (in old and new foreign industry combined).

Table 12.12 indicates that foreign firms spearheaded Irish modernisation. Among advanced countries, most of the FDI activity is related to oligopolistic competition, that is local market-oriented FDI induced by protectionism, such as Ireland had in the 1930s. That was also typical of Latin America. Ireland, on the other hand, has export-oriented direct investments. There are three motivations for such investments: first, producers may be in the final “technically mature” phase of the product cycle, where standardised labour-intensive final products are being made. Second, firms may be attracted by raw materials. Third, the firms may go for a vertical specialisation by location, locating “the relatively simple stages within a longer process of production of often quite sophisticated goods” in another country.²³⁴
TABLE 12.12
Sectoral Distribution of Employment in Foreign and Indigenous Manufacturing, 1986 (thousands)

<table>
<thead>
<tr>
<th>Sector</th>
<th>Foreign</th>
<th>%</th>
<th>Indigenous</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Metals &amp; Eng.</td>
<td>36.5</td>
<td>48.7</td>
<td>26.0</td>
<td>20.6</td>
</tr>
<tr>
<td>Chemicals</td>
<td>9.0</td>
<td>12.0</td>
<td>4.1</td>
<td>3.2</td>
</tr>
<tr>
<td>Clothing, Footwear &amp; Leather</td>
<td>6.5</td>
<td>8.7</td>
<td>10.4</td>
<td>8.2</td>
</tr>
<tr>
<td>Food</td>
<td>5.9</td>
<td>7.9</td>
<td>34.7</td>
<td>27.5</td>
</tr>
<tr>
<td>Textiles</td>
<td>4.3</td>
<td>5.7</td>
<td>6.6</td>
<td>5.2</td>
</tr>
<tr>
<td>Drink &amp; Tobacco</td>
<td>2.4</td>
<td>3.2</td>
<td>6.7</td>
<td>5.3</td>
</tr>
<tr>
<td>Paper &amp; Printing</td>
<td>2.1</td>
<td>2.8</td>
<td>11.9</td>
<td>9.4</td>
</tr>
<tr>
<td>Non-Metallic Mineral Products</td>
<td>2.1</td>
<td>2.8</td>
<td>11.5</td>
<td>9.4</td>
</tr>
<tr>
<td>Timber &amp; Furniture</td>
<td>0.8</td>
<td>1.1</td>
<td>9.3</td>
<td>7.4</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>5.4</td>
<td>7.2</td>
<td>5.0</td>
<td>4.0</td>
</tr>
<tr>
<td></td>
<td>75.0</td>
<td>100.0</td>
<td>126.2</td>
<td>100.0</td>
</tr>
</tbody>
</table>


The third motivation seems to have been particularly important in world economic developments since the 1960s. The multinational is driven by factors like low labour costs; proximity to target export markets; special concessions (for instance government incentives); political stability (“docile labour”); acceptable infrastructure and communications. Such export-oriented FDIs have been most typical for less developed countries, and also for Ireland, since the late 1950s.

The foreign firms which Ireland hosts are quite mobile, being production units, requiring mostly unskilled labour. Their Irish plants could thus be located outside advanced industrial areas, marked by even lower labour costs, and better tax concessions/grant incentives than central areas. These investments were mainly linked to mature sectors. These mobile firms often ended up in small towns and rural areas, since grants were somewhat higher there, and unionisation was not so strong. The result was a quite decentralised structure of industry. This was actively encouraged by Irish authorities. Older indigenous industry, by contrast, was mainly concentrated in Dublin.

We now turn to an assessment of the effects of the new industrial policy strategy. The industrial structure was transformed: there was a move towards technically more advanced branches than earlier, and manufacturing industry became more export-oriented (both as a percentage of gross output and of employment; see Tables 12.4 and 12.5 above). This trend started in the 1960s and we shall see in Part V that it gained even more pace in the 1970s. In this Golden Age period of the 1960s, foreign demand was flourishing anyway, but there was also an increase in Ireland’s export shares in foreign markets. This improved industrial performance was largely due to the foreign-owned firms, not to indigenous Irish firms.

As for secondary effects, it is clear that if all production aims at exports, the balance of payments effects will be generally positive. For Ireland, it is estimated that foreign firms’ exports account for about half of the gross export value. Preemption of indigenous industry is a familiar objection to foreign direct investment. This has not happened in Ireland. Competition for skilled labour, scarce capital or local primary goods, has not been important. The currency union of 1922-1979 with England removed any capital constraint. The clue is that there are few negative, but also few positive effects of these foreign investments.

As for the absence of positive effects, let us first return to the earlier comparison of other countries with large shares of U.S. FDIs. Among the nine countries quoted, only Singapore is small like Ireland. The fact that FDIs are mostly a very small share of other countries’ total investments in a host country, indicates that such investments are no panacea at all. Ireland is one of the few countries with a really large share of such investments, but this has not helped Ireland to solve its unemployment problem. Most investigations show that the Irish economy is not marked by widespread linkages. Like the agricultural export sector earlier, the new sector of foreign firms developed only very weak linkages to domestic manufacturing industry. Irish domestic industry remains low-skill, without r&d, a high import content, low value-added, and marked by an absence of capital goods production. There are very few traces of the Fordist complex which was absorbed by the contrast countries. As for linkages, O’Hearn concluded that TNC-related fiscal linkages (taxes and import duties contributing to the state’s resources) are probably negative due to the generous tax provisions and the absence of import duties. Neither are there many forward linkages (further processing of TNC output by other firms), since TNCs export most of their output. Thus, only backward linkages (TNC purchases of local products) need closer consideration. Even in this case, however, O’Hearn finds that the rate of TNC-related backward linkage is very low, half of that of domestic firms. Ireland has virtually no local-content regulations to counteract this. It even appears that new domestic firms create few linkages. According to O’Malley, the main problem is not the strategy of industrialisation by invitation, but the simultaneous turn to a free trade policy. He argues that to the extent that indigenous Irish firms have not been able to escape the high entry barriers in export markets, they were squeezed as protectionism was replaced by free trade. These entry barriers, as we saw in Chapter 3, are market imperfections, such as economies of scale, various external economies, on the job experience, and positions far along the learning curve. On most such variables, Ireland’s latecoming industrial firms have very weak scores. As for r&d-barriers to entry, a 1966 report showed that industrial research was “relatively non-existent” in Ireland. It seems that r&d spending by all businesses declined somewhat in the 1970s and increased somewhat in the 1980s.

As for economies of scale, that barrier is a particular challenge to existing large firms when trade is liberalised. O’Malley shows that most of the industrial employment decline has been in large, exposed firms, established prior to 1973. There has been
a growth of employment in smaller, export-oriented firms, which belong to the group which escapes entry barriers.295

A liberal trade policy may fail in a world in which the organisation of modern, exporting business firms implies a series of market imperfections. The weakness of this view, however, as mentioned several times, is its neglect of other small countries in which trade was liberalised just as in Ireland, similarly influenced by the interaction of pressure from the U.S., the OEEC and the mobilisation of an internal expansionist alliance. The contrast cases we have analysed all had relatively efficient national systems of innovation.296 While in Ireland, the system was (at most) rudimentary. In the postwar era, it seems that a weak structure of linkages developed in domestic economic activity, but not that related to exports. Ireland has many small indigenous firms in metals and engineering, wood furniture, and other engineering. Here there is a small, domestic market. Firms are influenced by agriculture and by fluctuations in construction industries. Problem sectors, experiencing strong penetration — such as textiles, clothing & footwear, chemicals — are sectors with few entry barriers, implying that many NIC-countries can successfully compete, especially due to their lower wage level. But this weakness is not peculiarly Irish, it is general.297 Indigenous chemical firms are very small and troubled by entry barriers like large economies of scale, high r&d costs and marketing. (NET — Nitrigin Eireann Teoranta — a fertiliser producer, is heavily subsidised).

As has already been noted several times in this report, Denmark, being an agricultural exporter, is the case closest to Ireland insofar as economic structure is concerned. Denmark was even more integrated into the U.S. postwar sphere of influence than Ireland, since Denmark even became a member of NATO. In Chapters 6 and 7 we have traced Denmark’s industrial development and the transformation of its agriculture. Earlier we noted the much higher density of agro-industrial linkages in Denmark. We shall now look at Denmark’s postwar development.

It was noted in Chapter 6 that Denmark’s industrial development was “derived”, a function of her general economic development, especially agricultural development. The specific Danish development model, as presented above, was under attack in the 1930s, and even more so in the postwar period. The idea of modernisation based on the American ideal of productive organisation was promoted for instance by the Marshall Aid administration, and supported by the Social Democrats and the Central Trade Union Federation. But it ran counter to the principles incarnated in the Danish hybrid model. “As international trade was liberalised where the Danish hybrid was weakest, in the industrial sector, and protectionism survived where it was strongest, in agriculture, market forces enforced the political attack on the hybrid structure of the Danish economy”.298 But there was no complete victory for mass production principles. In Danish industry, the new managerial ideologies were adapted to the existing artisanal system via the educational system, so that “mass production institutions have changed their meaning through their competition with the craft educational complex to become an extension of the craft character of the labour force”.299 Since the mid-1960s, the average size of firms did not increase, and niche production developed, indicating that the small/medium sized firms sought markets where they did not need to compete with mass producers.

Studying Danish industrial development from the “vertical production” point of view, we see that there are networks integrating both large and small enterprises.300 The “agro-industrial” complex may be defined as all economic activities with linkages to the agricultural sector. These traditional dominant export sectors in Denmark include production of inputs to the agricultural sector (fertilisers, agricultural and food-processing machinery), production of agricultural products, as well as further processing of such products (food and beverage industry).

A recent study defines Denmark’s “internationally competitive exports” as products with a world market share larger than 1 percent (in 1985). The list of products account for 45 percent of total Danish exports, and out of these, two thirds of the products stem from the agro-industrial complex.301 It has been roughly estimated that the complex accounted for 18 percent of GDP in the late 1970s, with the rest of manufacturing industry contributing 20 percent.302 Thus the late 19th century transformation of Danish agriculture is still reflected in Denmark’s pattern of export specialisation.

The delimitation of this complex — or development block303 — is a question of convention. Denmark’s pharmaceutical industry, for instance, which is sometimes seen as crucial in a particular “health service complex” (based on public sector demand),304 developed partly through use of waste products from Danish animal breeding, e.g. lungs of calves, and the pancreas of pigs.305 The latter is a crucial input to the Danish production of insulin. The Danish firm NOVO is also the world’s largest producer of enzymes, and is one of the few European firms with an established tradition in biotechnology.306 This is obviously also linked to the dominance of agriculture as an export sector. Other complexes have been traced. One is related to households, consisting of production of furniture, ceramics, household equipment, etc. Two other blocks of importance until the 1970s, were shipping/shipbuilding (Burmeister & Ween, especially their ship-engines), and construction (industrial cement, cement-processing machinery and production systems).

Edquist and Lundvall argue that the agro-industrial block consists of two different modes of development (or types of innovation). First, the farmer-owned cooperatives, and secondly, the big private food-processing firms (many of them originating from semi-public enterprises, many controlled by the Danish East-Asian Company). While genuine Fordist branches (durable consumer goods, cars, steel) play a limited role in the Danish industrial structure, the cooperative slaughtermen and dairies are closest to the Fordist model. Even their management philosophy has been quite close to the Fordist one.

While the Fordist manufacturing philosophy (the assembly line, the Taylorist division of labour and the separation between planning and execution) may be applied to many industrial sectors, we may also define a number of core Fordist sectors which have been central to postwar growth. Table 12.13 includes data which show that Irish indigenous firms are weak in Fordist sectors thus defined. O’Malley notes that if Ireland had been closer to the average in these sectors, unemployment would have been avoided. These industries would have a high value-added and be export-oriented, creating no balance of payments problem.307
<table>
<thead>
<tr>
<th>NACE CODE</th>
<th>INDUSTRY</th>
<th>(1) EMPLOYMENT (%) EEC</th>
<th>(2) EMPLOYMENT (%) Irish Indigenous</th>
<th>(21) RELATIVE SIZE</th>
<th>Danish</th>
<th>Irish/ECC</th>
<th>Danish EEC</th>
</tr>
</thead>
<tbody>
<tr>
<td>412-23</td>
<td>Food</td>
<td>6.9</td>
<td>7.6</td>
<td>28.4</td>
<td>16.7</td>
<td>4.1</td>
<td>2.2</td>
</tr>
<tr>
<td>44</td>
<td>Leather Products</td>
<td>0.5</td>
<td>0.5</td>
<td>1.5</td>
<td>0.3</td>
<td>3.0</td>
<td>0.6</td>
</tr>
<tr>
<td>424-28</td>
<td>Drink</td>
<td>1.5</td>
<td>1.5</td>
<td>3.7</td>
<td>3.0</td>
<td>2.5</td>
<td>2.1</td>
</tr>
<tr>
<td>247</td>
<td>Glass, Glassware</td>
<td>1.1</td>
<td>1.1</td>
<td>2.8</td>
<td>0.7</td>
<td>2.5</td>
<td>0.6</td>
</tr>
<tr>
<td>241-46</td>
<td>Cement, Concrete</td>
<td>2.3</td>
<td>2.2</td>
<td>5.3</td>
<td>3.0</td>
<td>2.3</td>
<td>1.3</td>
</tr>
<tr>
<td>45</td>
<td>Footwear, clothing</td>
<td>5.3</td>
<td>5.2</td>
<td>10.9</td>
<td>3.9</td>
<td>2.1</td>
<td>0.8</td>
</tr>
<tr>
<td>46</td>
<td>Wood, Furniture</td>
<td>5.3</td>
<td>3.5</td>
<td>10.9</td>
<td>6.2</td>
<td>1.9</td>
<td>1.8</td>
</tr>
<tr>
<td>47</td>
<td>Paper, printing</td>
<td>3.6</td>
<td>5.9</td>
<td>7.0</td>
<td>8.4</td>
<td>1.7</td>
<td>1.4</td>
</tr>
<tr>
<td>429</td>
<td>Tobacco</td>
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<td>0.5</td>
<td>0.7</td>
<td>0.7</td>
<td>1.4</td>
<td>1.4</td>
</tr>
<tr>
<td>49</td>
<td>Miscellaneous</td>
<td>1.1</td>
<td>1.0</td>
<td>1.1</td>
<td>1.3</td>
<td>1.0</td>
<td>1.3</td>
</tr>
<tr>
<td>43</td>
<td>Textiles</td>
<td>6.0</td>
<td>5.1</td>
<td>5.5</td>
<td>3.3</td>
<td>0.9</td>
<td>0.7</td>
</tr>
<tr>
<td>31</td>
<td>Metal Articles</td>
<td>8.8</td>
<td>8.8</td>
<td>8.4</td>
<td>7.5</td>
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<td>0.9</td>
</tr>
<tr>
<td>48</td>
<td>Rubber, Plastics</td>
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<td>3.3</td>
<td>0.5</td>
<td>0.9</td>
</tr>
<tr>
<td>25</td>
<td>Chemicals</td>
<td>7.1</td>
<td>7.5</td>
<td>2.9</td>
<td>6.7</td>
<td>0.4</td>
<td>0.9</td>
</tr>
<tr>
<td>36</td>
<td>Other Transport</td>
<td>3.8</td>
<td>3.8</td>
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<td>5.1</td>
<td>0.4</td>
<td>1.4</td>
</tr>
<tr>
<td>34</td>
<td>Elect. Eng.</td>
<td>11.3</td>
<td>12.3</td>
<td>3.0</td>
<td>9.3</td>
<td>0.3</td>
<td>0.8</td>
</tr>
<tr>
<td>35</td>
<td>Motor Vehicles</td>
<td>8.4</td>
<td>8.6</td>
<td>1.6</td>
<td>1.2</td>
<td>0.2</td>
<td>0.1</td>
</tr>
<tr>
<td>32</td>
<td>Mech. Eng.</td>
<td>10.9</td>
<td>10.6</td>
<td>2.6</td>
<td>15.4</td>
<td>0.2</td>
<td>1.5</td>
</tr>
<tr>
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<td>Instr. Eng.</td>
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<td>1.4</td>
<td>0.3</td>
<td>1.3</td>
<td>0.2</td>
<td>0.9</td>
</tr>
<tr>
<td>22</td>
<td>Metals</td>
<td>6.3</td>
<td>4.8</td>
<td>1.0</td>
<td>1.3</td>
<td>0.2</td>
<td>0.3</td>
</tr>
<tr>
<td>248</td>
<td>Ceramic Goods</td>
<td>1.1</td>
<td>1.1</td>
<td>0.1</td>
<td>0.8</td>
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<tr>
<td>33</td>
<td>Office/Data Proc. Machinery</td>
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<td>0.05</td>
<td>0.3</td>
<td>0.1</td>
<td>0.1</td>
</tr>
<tr>
<td>26</td>
<td>Man-Made Fibres</td>
<td>0.5</td>
<td>0.1</td>
<td>0.02</td>
<td>0.0</td>
<td>0.04</td>
<td>0.0</td>
</tr>
<tr>
<td></td>
<td>“Fordist” sectors</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
<td>44.7</td>
<td></td>
</tr>
</tbody>
</table>

Note: The lower half of the table (from NACE-category 48 and down) are defined as “Fordist sectors”. It is also assumed that there has been no significant redefinition of categories between 1978 and 1984.


The table is based on EC data, so among our contrast countries, only a comparison with Denmark is possible. But Denmark is in any event the closest case. Danish numbers are provided in the table. It is assumed that since industrial structures change only slowly, the picture is not distorted by comparing Ireland 1978 with Denmark 1984.\(^{30}\) The Danish numbers cover all Danish firms, not only indigenous firms. This should be no great problem, since Table 12.10 shows that foreign investments are not very important in the Danish economy.

This comparison gives a striking result. The average EC share of Fordist sectors, certainly determined by the large economies of Germany, France and Italy, is 56-57 percent of total employment in the sectors listed. The Danish share is 45 percent, that is below average and a confirmation that Fordist sectors are not very important in Denmark. The Danish share, however, is far above the share for Irish indigenous industries, which is only 15 percent (Table 12.13). One may here return to Senghaas’ notions, stating that while Ireland still seems only an export economy, Denmark is certainly an exporting national economy. This reinforces the impression that unlike all the contrast countries (and in fact all other West European countries), Ireland failed to reap the benefits of the postwar Fordist boom. “The structure of Irish indigenous industry remains more typical of a less-developed economy than an advanced industrial country.”\(^{30}\)

While the late start of Irish industrial development (and the corresponding difficulty for exporting firms of passing barriers to entry) may be part of the explanation, another part — borne out by the comparison with Denmark — is that in Ireland, the national system of innovation, and more generally linkages between export sectors and the rest of the economy, have been very weak. Some of the reason for this must be found in the socio-political and social structural features which we shall discuss in the next section.

This section has mainly dealt with industrial policies, which were certainly the most distinctive feature in a comparative perspective. Other aspects of economic development and economic policies will only be mentioned briefly. General economic policies were more expansive in the 1960s, and particularly in the 1970s, when there was less concern about external deficits.\(^{310}\) There was continued support for the dairy and cattle sector.

As for incomes policies, there were as early as (March) 1948, attempts to establish a “National Pay Policy”. This attempt to tackle the problems of the immediate postwar period (inflation), could not be sustained. An Industrial Relations Act in 1946 had established a Labour Court. The 1950s and 1960s saw no successful attempts at incomes policy coordination. The Employer Labour Conference (ELC) was set up in the 1960s, but became important only in the 1970s. It consisted of the Executive Council of the Irish Congress of Trade Unions, and an equal number of representatives from the Federated Union of Employers, other employer bodies, state-owned/sponsored enterprises and the public service. Throughout the 1960s the problems of accelerating inflation, as well as a gap between pay increases and productivity growth, was experienced. The government introduced a Prices and Incomes Bill in 1970, forcing the social partners to opt for collaboration in collective bargaining. Throughout the 1960s and 1970s, the Irish wage level moved closer to that of the U.K. Average weekly earnings in manufacturing industry went from 65 percent of the U.K. level in 1963 to 93 percent of the U.K. level in 1978.
12.6 SOCIAL CHANGE DURING THE POSTWAR PERIOD

We shall first study developments in the relationship between the state apparatus and the activity of politicians and citizens. Arising from the crisis of the late 1950s, the need for administrative reform was taken up. Earlier, bureaucracy had little interest in questions of industrial development. With Whitaker’s Economic Development, and the later First Programme, there was a more positive attitude towards state interventionism. This coincided with a generational change in the civil service, as many young people had been promoted in the 1920s, during the first decade of the new administration. These began to retire in the 1950s.

The administrative system was, as we have seen earlier, based on 19th century British administrative ideals. With increasing state interventionism, some major problems of this system became visible. More interventionism necessarily meant — as modern theories of organisation showed — that bureaucracy had to take or at least influence an increasing number of decisions. But nothing was done to facilitate this at the institutional level.

Before we specify these problems, the following difference between the Irish and the British administrative systems should be noted. In the Irish case, there are no entry barriers requiring high level education. There is strong competition in entrance examinations, but candidates join mainly from secondary school and then rise to become senior level bureaucrats. A 1963 investigation found that 60 percent of senior civil servants had joined the administration from secondary school. More specifically, about “three-quarters of the administrative, executive, and clerical classes received their secondary education from the Christian Brothers. This religious order, established in the last century to provide an education for poor Catholic boys, has traditionally tended to concentrate on examination successes.”

These pupils are very able, and unlike English civil servants, with a background in elite schools, they are recruited at an early stage. But a number of drawbacks concerning the type of education they received have been mentioned: a narrowly practical orientation, inability to reflect on long-term ends, and acceptance of the system with little question. This was about to change in the early seventies, as the change to more accessible university education made it less attractive to join the civil service as a way to gain grants for university studies.

British canons of administration did not distinguish formally between administrative and executive work. Civil servants were mainly educated in the ministries doing executive work. When they were promoted to administration, such training was more or less irrelevant. Higher officials would end up “insufficiently acquainted with modern management skills and methods of information handling and processing.”

The old pattern of recruitment assumed the ideal type of a generalist administrator, but the departments were too small to generate such experience. In addition, there was little mobility between departments. Promotion based on seniority also tends to produce mediocrity. The principle of ministerial responsibility tends to channel much work up to the senior level, not allowing minor matters to be decided at junior or middle level. Such problems were dealt with in the Devlin Report by the Public Services Organisation Review Group, which had been set up in 1966. The report insisted that since the tasks of bureaucracy had changed dramatically, the organisational structure had to be adapted to these changes.

Whether the Devlin report led to practical reforms we shall not consider here. We shall only assume that the above description provides a snapshot of the Irish administration during the Golden Age period. To see how this bureaucracy interacted with citizens, we must look at the activity of politicians.

We have earlier seen that there was a process of administrative centralisation in the late 1930s and 1940s. A system was established in which many TDs were also county councillors. The revolutionary elite of the 1920s had now retired, and the new generations of TDs could not rely on the legitimacy that their predecessors had possessed. A system developed in which a TD would spend much of his time and resources in Dublin to investigate the different problems and questions of his clients. But mostly, the outcome cannot be influenced. This means that the Irish political system does not imply clientelism in any strong sense of the word. This is so because the administration is very centralised, which means that the patron cannot guarantee the public goods in demand, and also because the patron cannot be fully sure of the clients’ support in elections. But politicians try to create the image that they are effective brokers, i.e. that they can provide easy access to bureaucratic institutions which are difficult for ordinary people to interact with. Politicians compete “with one another to create followings, often by taking credit for influence they do not have and by de-emphasising the rights to state services which the voters have. There is great doubt, however, about the actual amount of influence which politicians have over state allocations.”

One consequence of this system is that politicians will make many efforts to retain information on the outcome of decisions before they are passed on to the applicants. In this way, the illusion of assistance is created. If the TD succeeds in maintaining a solid following, he will rise to higher positions in his party. The local public employees obviously take part in this routine, since in return, politicians do not raise questions about accountability and formal procedures.

The interaction of such routines with the peculiar Irish electoral system has been debated. Traditional criteria for an electoral system are whether it provides proportionality and government stability. Gallagher shows that in this respect Ireland’s PR/STV system is not worse than other electoral systems in Western Europe. The debate on reform of the STV system has thus mainly related to the question of whether it influences the relation between deputies and citizens.

In the case of an STV system dominated by two catch-all parties, intra-party rivalries are often so strong that politicians can be described as “professional paranoiacs”. As we have seen, they may exaggerate their importance as brokers. The breaking activity of TDs may lead to over-emphasis on relatively unimportant questions, which may weaken state capacity for long term planning: “the long term interests of the state are sacrificed to the short term interests of individual citizens.” TDs tend to emphasise personal and local matters, and this may make politicians behave as consumer representatives rather than legislators. Similarly, Higgins suggests that the system is wasteful in terms of state resources, since such resources are allocated due
to very particularistic considerations, and with strong elements of political business cycles. It also makes TDs ill-equipped to do what TDs should do, that is scrutinise legislation and control the accountability in public finances.

Gallagher, however, convincingly argues that the STV system in itself can hardly be blamed for such problems. However, he confirms that these problems are important in the Irish context. We can now extend our comparative analysis to this area.

Our contrast cases have the following electoral systems: Finland and Denmark have list systems with preferential voting, Sweden and Austria have list systems without preferential voting (i.e. the party determines the ranking of the candidates, the voter cannot change this ranking), Switzerland seems to have the closest system to Ireland, since it allows voters both to vote across party lines and to express preferences for their own party’s candidates. 325

Although there is not much solid comparative work on this, it seems peculiar to the Irish system that constituency work has a very important role in a TDs working week, and that the volume of such work has been growing steadily. The number of cases, taken into account the small number of people represented (Irish voting districts are very small), seems exceptional. 326 Roche claims that a TD processes about 140 cases per week, which gives 1.2 million cases for all TDs per year, which is approximately half the electorate. 327 Comparative evidence suggests that this is an “exceptionally high” level of voter/deputy contact. 328

Comparative arguments, however, also suggest that the type of electoral system is probably not the reason why this is so. Switzerland, as mentioned, has a system very similar to the Irish one, but an average deputy responds to less than 40 requests (140 in Ireland) from their constituents a week. 329 The reason for this much lower level of brokerage is probably that citizens have other forms of redress, for instance via the party organisation or via the professional group to which one belongs. This relates to our demonstration in Part III that civil society (or social integration) is strong and includes a number of channels of influence.

As for Denmark, its electoral system allows voters to express preference for candidates within a party. Also in the Danish case, there is little casework contact between deputies and voters (such contacts are in fact insignificant all over Scandinavia). The reason seems to be that local government is quite strong. Thus, problem-resolution or grievances related to provision of many services are solved at the local, rather than the national level. Furthermore, citizens seem to have good information about which offices within the administrative structure to contact. 330 Thus, the causes of the high amount of brokerage “must be found in other aspects of Irish politics and society.” 331 Brokerage, as Bax showed, existed in Ireland before the STV system, that is in the 19th century.

As for the argument that such a level of brokerage weakens the Dáil and displaces work on other parliamentary duties, Gallagher is rightly sceptical. It is difficult to argue that the Dáil would be strengthened if TDs were more active in Dáil debates or more active in formulating legislation. But the Dáil lacks a proper committee system. It relies on rather outdated methods to gain information about policy and administration (that is, to evaluate the results of policies.) Gallagher admits that if the Dáil had a strong committee system, more time allocated to committee work would strengthen the parliament. Austria, for instance, has a strong committee system, 332 but it is also highly penetrated by interest groups. However, we have noted that this ensures conflict resolution at the “appropriate level”. A committee system may increase the accountability of government. 333 Gallagher also states the obvious fact that of course some of the case-work done is valuable for the constituents.

These contrasts put Ireland’s centralisation into perspective. Higgins notes that this suggests an explanation. He also points out that at the “county level, Irish politics is administratively centralised to a unique degree by European standards. The County Manager holds effective power of administration which consists of relaying state decisions down to county level.” 334 Our Scandinavian contrast countries all have strong local governments, and Switzerland and Austria are both federations, which implies that much decision making takes place at the “Länder” level.

But this centralisation also puts Ireland apart from third world countries with clientelism in a strong sense of the word. This means that Mouzelis’ theory of the parliamentary semi-periphery cannot be applied to Ireland. 335 A number of differences arise here: Ireland had no legacy from a patrimonial empire, but was included as a region in England before 1922. Thus, Ireland’s parliamentarism before 1922, with a large group of Irish MPs at Westminster, can hardly be compared to the oligarchic parliamentarism Mouzelis discusses. The closest we may get is to start in 1922, arguing that deindustrialisation and loss of Belfast made Ireland a late industrialiser, and that the timing from then on was parallel to the cases discussed by Mouzelis.

Even with such a modification of the argument, however, the crucial question is whether we can trace in Ireland the dependent/vertical kind of relationship between the state and the organisations of civil society. A simple answer to this question does not exist. We have seen that there are major differences between the Irish system and the ideal type, third world clientelism (a variety of which is also found in certain Southern European countries). Ireland’s strong and centralised administration, and the corresponding weakness of local government structures, is probably quite different from other post-colonial societies. Another indicator is that the Irish state has been able to extract quite high taxes from its citizens, at least in some areas.

According to Mouzelis, absence of vertical ties implies a strong civil society. In the Irish case, we can trace strength in one particular respect, which is a strong Catholic civil society. This probably shows that Mouzelis’ distinction between vertical and horizontal ties is too crude. Rather, in all our contrast cases, we have stepwise vertical ties (strong local government) and strong civil societies (horizontal ties). Ireland rather has direct ties, that is, a strong central administration. But Irish civil society involves a particular type of patriarchal family structure, reinforced by the Catholic Church. This shows that the content of civil society matters, rather than just the formal feature of horizontal ties. In all the contrast cases, then, there was a stronger influence by secular elements in the social structure, securing a more balanced relationship between religious and secular influence.
Again we find that Ireland is located in between the first and the third worlds. It is different from the cases discussed by Mouzelis: the state seems stronger, there is no breakdown of liberal democracy, there is populism, but in the form of brokerage with uncertain effects. Finally, we know that the outcome, i.e. military dictatorship, is not found in Ireland.

Returning to the topic of Ireland’s particular social structure, we shall start by quoting Coleman’s summary of Irish demographic peculiarities. In comparison with other industrialised countries in the 1980s, “Ireland has the highest natural increase which is more than balanced by the highest proportional rate of out-migration. This makes it one of the very few developed countries which is already losing population. Irish fertility [...] is the highest of any developed country with the exception of the USSR and Albania. Cyprus (TFR 3.32), Romania (2.30) and Poland (2.20) are the only close rivals; the rest are all below 2.0. Correspondingly, Ireland has the lowest proportion of first births and by far the highest proportion of fourth and higher order births (almost four times the industrial average). Age at first marriage and age at first birth are close to the European average, but prolonged childbearing means that almost half of all births are to mothers over age 30, compared with an average of little more than a quarter. As a consequence of this high fertility, the Irish population is the most youthful of the industrial world with 29 percent of the population under age 15. Ireland is unique in having no divorce and in Europe shares with Belgium the distinction of not permitting abortion for any purpose. However abortions on Irish residents in the U.K. bring this figure up to a minimum ratio of 69 per 1000 live births.”

It comes as no surprise that Coleman points to emigration to explain the persistence of high fertility: “It has destroyed demographic feedbacks from the high natural increase at the population level. Without emigration, population growth and density would have become uncomfortable many decades ago, increasing land values, access to agricultural holdings, rents and prices and emphasising the impossibility of creating jobs at the level of population growth. Studies on other high fertility, high emigration countries have shown the alternative nature of emigration or fertility reduction as demographic responses to population growth and the way in which long term high emigration retards the modernisation of fertility.”

The interaction between nationalism and Catholicism crucially influenced modern Irish developments. Coleman shows that the position of women fits into this pattern: “The low status of women, as evidenced by the unfavourable female death rate and other, more direct evidence, is another factor. It is not a typical attribute of European Catholicism and appears to be another factor particular to Ireland. It helps to explain why large family size did not generate negative feedback by wives through objection to frequent pregnancies, and a consequent interest in family limitation, at an earlier period. Emigration does nothing to relieve this micro-demographic pressure at the family and household level, because young people do not emigrate without their family until they have reached adult status. Older members of the family may even help to relieve this pressure through emigration if they send remittances home.”

The general pattern is that the influence of Catholic moral principles on class and marriage behaviour is reinforced by agricultural modernisation and industrial transformation.

These comments on Irish demographic peculiarities indicate that the forces which were analysed earlier still continued to influence the Irish social structure in the 1960s. But the period did also see considerable modernisation. Let us look at the changes in social structure.

As in the late 19th century, emigration was a major life chance in the 1950s. There were two other major life chances: inheritance (those few in trade or agriculture who had a prospect of inheriting the family business and house) and education/training (which could secure the livelihood only for a minority). “Of those born between 1936 and 1941, by 1961 only 59 percent remained in Ireland, and of those remaining, one in four were at work in some form of family employment.” In the 1950s, emigration reduced the male labour force by one-seventh. As a result, Ireland ended up later with a dependency ratio much higher than other Western European countries: “Approximately one person out of every five born since the foundation of the state and resident in 1951 had emigrated by the end of that decade. [...] That disproportion in the age distribution was accentuated by natural increase so that by 1979, 31 per cent of the population was less than 15 years old and 11 per cent was over 65 years of age. The result is a dependency ratio far higher than that of any other EEC country and a rapidly expanding labour force.”

### TABLE 12.14

<table>
<thead>
<tr>
<th></th>
<th>1951</th>
<th>1961</th>
<th>1971</th>
<th>1979</th>
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<tbody>
<tr>
<td><strong>Agriculture</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>— employers</td>
<td>3.1</td>
<td>1.8</td>
<td>—</td>
<td>1.0</td>
</tr>
<tr>
<td>— self-employed/relatives assisting</td>
<td>35.0</td>
<td>34.3</td>
<td>27.4</td>
<td>20.1</td>
</tr>
<tr>
<td><strong>Non-agricultural activities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>— employers</td>
<td>2.2</td>
<td>1.6</td>
<td>—</td>
<td>3.4</td>
</tr>
<tr>
<td>— self-employed/relatives assisting</td>
<td>5.9</td>
<td>6.2</td>
<td>8.3</td>
<td>6.5</td>
</tr>
<tr>
<td><strong>Employees</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>— upper middle class</td>
<td>5.3</td>
<td>7.6</td>
<td>10.9</td>
<td>13.3</td>
</tr>
<tr>
<td>— lower middle class</td>
<td>13.7</td>
<td>15.6</td>
<td>18.0</td>
<td>20.5</td>
</tr>
<tr>
<td>— skilled manual</td>
<td>10.6</td>
<td>12.4</td>
<td>16.8</td>
<td>20.2</td>
</tr>
<tr>
<td>— semi and unskilled manual</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>— agricultural</td>
<td>10.0</td>
<td>7.9</td>
<td>4.9</td>
<td>3.0</td>
</tr>
<tr>
<td>— non-agricultural</td>
<td>13.9</td>
<td>12.5</td>
<td>13.6</td>
<td>11.9</td>
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</table>


Throughout the 1960s, emigration was gradually reduced, and in the 1970-78 period, there was a net inflow (cf. Fig. 12.8). In the 1950s, young, unskilled people with an agricultural background had been the largest group of emigrants. The return migrants of the 1970s were to a larger extent skilled. Ireland increasingly became a wage earners’ society, as the percentage of wage-earners out of total employment developed from 56.1 in 1961 to 68.8 percent in 1979. Throughout this period, Ireland also developed one of the highest levels of unionisation and the highest level of union growth in the EEC. Proprietary categories in agriculture declined from 36.1...
percent of total male employment in 1961 to 27.4 in 1971 and 21.1 in 1979. At that time, Rottman and O’Connell claim that Ireland had ceased to be agricultural, as the predominant categories were now employers and well-qualified employees. Skilled manual workers developed from 12.4 percent in 1961 to 20.2 in 1979 (Table 12.14). Consequently, family inheritance had become less as a factor determining the allocation of life chances, while wage bargaining became a more influential factor in determining life chances.

In comparison with our five contrast cases, however, Irish development was not spectacular. In terms of the percentage of wage-earners, Table 12.15 shows that by 1970/1, Ireland had still not reached the 1960/1 level (just catching up with Finland at that time, to be more precise). Despite the low percentage in 1960/1, Ireland did not even record the highest growth rate in the ten year period: both in Finland and Austria, the percentage of wage earners increased by more than in Ireland.

### Table 12.15

<table>
<thead>
<tr>
<th></th>
<th>A</th>
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<th>D</th>
<th>F</th>
<th>IRL</th>
<th>SW</th>
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<td>1960/1</td>
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<td>65.7</td>
<td>58.6</td>
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<tr>
<td>1970/1</td>
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<td>81.0</td>
<td>78.2</td>
<td>65.8</td>
<td>88.8</td>
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<tr>
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<td>4.3</td>
<td>4.0</td>
<td>12.5</td>
<td>7.2</td>
<td>3.7</td>
</tr>
</tbody>
</table>

1 Including apprentices. Wage earners are defined as employees and workers. The residual is: employers, self-employed and family workers.


In line with Gerschenkron’s theory, it has been emphasised that as a latecomer, Ireland’s development was more state-inspired than in earlier developers in Western Europe. The welfare state which had been developed (partly according to a mechanism whereby Ireland had to keep up with English reforms) provided various types of support, which were particularly important for farmers on marginal holdings and unskilled labourers. The class structure at the end of the 70s “contains a substantial number of positions that are viable only insofar as they are underwritten by state social welfare programmes”.

Another major life change is education, and the opportunities in this respect increased in Ireland in the late 1960s. In a 1965 OECD/Irish government report it was found that there were significant regional and class disparities in education, and the need for scientific and technological higher education was emphasised. In particular, it was suggested that “vocational” studies should be strengthened against the dominance of “secondary grammar school type academic education”. It was predicted that such a change would also reduce inequality, facilitating a transition from a non-meritocratic to a meritocratic educational system. This would make “credentials of scholarly and technical accomplishment (...) the currency of social evaluation”. Such views, inspired by human capital theory, spread all over the Western world. Wickham emphasised that in most countries the social democratic notion of “equality of opportunity” influenced policies which responded to working class demands for abolition of existing inequalities in the access to education.

Wickham seems to claim that in most Western countries these reforms were more successful than in Ireland. The problem with Ireland, he holds, was that reforms were presented in terms of a “politics of productivity” framework, not in class terms. This corresponded to the populist attitude in the broadly based Fianna Fail government. However, it must be emphasised that evaluations of educational policies in other Western countries generally found that realities seldom corresponded to ideals.

This was soon found in Ireland.

Several sociological studies concluded that an increasing level of education and free education resulted in more equality of provision but no equality of educational outcomes, which remained strongly class related. No full meritocracy was achieved. The reforms “did more to consolidate the advantages of propertied and professional middle class families than to facilitate social mobility”. A number of social processes acted to “ensure an essential stability in the distribution of privileges”. There were improvements in the standard of living, but no reduction in the differentials between the top and bottom of the class structure. Both land and educational credentials were inherited by the children of those who had such assets already. “Educational change has not taken Ireland very far towards equality of labour market or occupational opportunity: the educational qualifications that school leavers bring into the job market continue to be strongly related to their social class origins — a state of affairs which has obvious and considerable implications for the degree of social mobility possible in Irish society. By and large, those who appear to have gained most from educational reform have been middle class — both the old middle class, who might otherwise have had to pay for their children’s education, and the new middle class of families which have experienced mobility as a consequence of the massive structural shifts in the economy of the post-1958 era.”

We have shown in Chapter 7 that all the contrast countries had more or less elaborate systems of vocational training. In Ireland, as noted, the need to approach such a system had been emphasised in the mid-1960s. The Irish state at that time controlled primary schooling, which has a common curriculum, but the control over post-primary education — the main target of the 1960s reforms — was more decentralised. Curricula were very diverse and the physical structure of these schools was owned by individuals, trusts or religious orders. Greater educational equality required a common and comprehensive curriculum. Thus, schools would have to be amalgamated. However, many of the owners of post-primary educational institutions opposed centralisation with some success. The main constraint on centralisation was that the state did not own the schools.

In 1967, a move towards free post-primary education was implemented. As school participation rates increased, the state was unable to use its resources to build new vocationally-oriented schools, to increase the number of students going to such schools or to ensure that changes in curricula were introduced in the direction of more vocational topics. The state mainly succeeded in the small sector of technical education. In sum: “Because of the State’s lack of control over the system,
combined, in this instance, with the introduction of one set of changes — free education — made the success of the other — the move to a more vocationally orientated system — less likely.\textsuperscript{352}

The persistence of middle class dominance during the 1960s is striking. Earlier we have emphasised the importance of the rural agricultural way of life in nationalist ideology.\textsuperscript{353} Hannan and Commins link this feature to a very specific group of small farmers, whose survival strategies they claim were quite successful during the Golden age.

Not all smallholders throughout the 1950-60 period were able to establish nuclear farming families. But those who did not were more successful in finding off-farm employment than the urban working class. “This system still retained a strong reservoir of self-confidence, cultural independence and sense of importance and influence within the society. This has meant that when the Irish economy started to grow rapidly in the 1960s and educational qualifications became increasingly necessary for positions in the non-farming economy, this farm family sector was in a much better position than the urban working class to make use of it.”\textsuperscript{354} Hannan and Commins show in detail that small farmers “participated in and gained from the rapid educational expansion from the mid 1960s onwards”. In a situation with high labour supply (high fertility), their children acquired the education to compete for the best jobs.\textsuperscript{355}

The Irish Land Commission, the state land restructuring agency, was first successful in subdividing large estates. But later, it was not successful in making land more mobile, despite the Commission’s compulsory powers of acquisition.\textsuperscript{356} A 1965 Land Act had included a system of retirement pensions, but this came to nothing, as it was more attractive for a farmer to remain as owner of his farm. The state also provided “smallholders’ unemployment assistance”. During the inflation of the 1970s, land values of course increased strongly. Since 1975, no property taxes are imposed on land.\textsuperscript{357}

The particular location policies followed by Irish authorities when allocating foreign investments were mentioned above. Hannan and Commins, as we have seen, link this to the strength of the small farmers. Younger small farmers would take up non-farm work and at the same time increase the extensive nature of Irish farming (cf. Chapter 11.1) by turning to even more dry cattle production.\textsuperscript{358}

Hannan and Commins emphasise that behind the successful adaptation of this class of small farmers lies very effective collective organisation. In particular, the smaller farmers have been Fianna Fai’s most important backing group, and, in Government, cabinet appointments tend to be distributed according to regions. There was a mutual reinforcement between peasant survival and patronage politics.\textsuperscript{359} This conservative force cannot of course be separated fully from other elements, such as the Catholic Church. The clergy, argue Commins and Hannan, are mainly recruited from people with a farming background.

The conclusion is that by the end of the Golden Age, that is in the early 1970s, there had been no major change in the dominant position of the Church and its particular interaction with the paternalist family structure, despite wide-ranging socio-structural changes connected to the outward-oriented industrialisation process. We shall see in Part V how this developed in more recent years.

12.7 SUMMARY

Throughout Chapters 11 and 12, we have studied Ireland’s historical development. In each section, we have provided more or less focused comparisons with one or several of the contrast countries. Discussing agrarian transformation in Section 11.1, detailed comparison with Denmark was provided, since among the contrast cases, Denmark is most similar in terms of resource basis and dominant export sectors. In Section 11.2, a range of contrasts between Ireland and Finland were spelt out, since among our cases, these are the only two countries which became independent as late as in the early 20th century. Section 12.3 on long term consequences attempts to draw some conclusions from the comparison between pre-independence Ireland and the contrast countries. It thus traces important aspects of the legacy which Ireland would start out with as she gained independence. We discussed various aspects of the relationship between national sovereignty and economic development with reference to the experiences of all the contrast countries, and we compared the limited extent of agro-industrial linkages in Ireland compared to Denmark. Reviewing all the contrast cases, we traced Ireland’s peculiar fusion of nationalism and Catholicism, as well as relations between the nature of industrial development, emigration and nationalist mobilisation.

Having established these essential features of Ireland’s legacy from the pre-independence period, we proceeded in Chapter 12 to study Ireland’s economic transformation in the inter- and postwar periods of the 20th century. A major concern was the attempt to discover institutional features which served to reproduce the vicious circle created by Ireland’s pre-independence legacy. In Section 12.1, we compared the trade structures of our six countries. In Section 12.2, the party systems and certain educational institutions were compared. In Section 12.3, import substitution patterns, as well as socio-political alliance patterns in Ireland and the contrast countries were compared. In Section 12.4, we saw that both Ireland and the contrast countries were exposed to the influence of the American offensive for reconstruction of postwar Western Europe, with quite different consequences. Section 12.5 compared Ireland’s strategy of attracting foreign capital with the postwar development of Denmark’s agro-industrial complex, and demonstrated the much stronger influence of foreign direct investments on the Irish economy compared to the contrast countries. Finally, Section 12.6 found that the different versions of proportional representation voting systems in Ireland and the contrast countries were probably of little importance to their different fates in the postwar period, but that the strength of local government, and/or the federal systems in the contrast countries might be important. Also problems of educational reform were briefly compared.

In sum, our survey of Ireland’s historical development throughout Chapters 11 and 12 has not been yet another narrative, as each section has contained explicit comparisons with the contrast countries.
REFERENCES


2. Crotty's analysis is here consistent with world systems theory, which claims that changing patterns of the international division of labour, indicated by price movements for certain crucial products, determine the allocation of capital by entrepreneurs on a global scale, thus making "domestic developments" (like e.g. the development of the labour force, and class relations in different sectors) dependent variables. Although we do not fully accept such an explanatory approach, we do hold that Crotty's periodisation is useful. Crotty's peculiar notion of capitalism was contested on in Chapter 4.

3. Between the 12th and the 16th century, the Irish Church had been strongly influenced by the English Church. But in England, the reformation led to a break with Rome in the 16th century. The Irish Church remained loyal to Rome, and from then on, the British rulers attempted to coerce the Irish to abandon Roman Catholicism. Conor K. Ward, "Ireland", in Hans Mol, editor, Western Religion: A Country by Country Sociological Inquiry, The Hague 1972, p. 295.

4. Crotty, Ireland in Crisis, Dingle 1986, p. 206, shows that Ulster was the only European case of such a displacement. He mentions four non-European cases: South Africa, Algeria, Kenya and Rhodesia.


6. As a consequence, court and country parties polarised in England, and this was one of the factors which led to the Civil War there. This is only one of numerous examples of how English and Irish political developments interacted.

7. Throughout the whole period of the 17th century plantations, 100,000 settlers and troops died, 40,000 Irish people left to serve in European armies, and 100,000 were shipped to the colonies as slaves. Rowthorn & Wayne, op. cit., p. 19.

8. This is where Crotty makes his main point (cf. Chapter 4): England imposed private property in an area where such an institutional arrangement did not develop "organically". The basic objective became the gaining of maximum profits from land while a factor like labour supply became a dependent variable. In Crotty's view, Ireland's price has determined the course of Irish life for the past four centuries to an altogether exceptional extent." Raymond Crotty, "Modernisation and Land Reform", Journal of Peasant Studies, 11:1, 1983, p. 106.

9. Crotty, Ireland in Crisis, op. cit., p. 40. In 1601, British control of Ireland was not very extensive, encompassing only the so-called "Pale". Fish and hides were the most important export items at that time, but in the 1640s, cattle, wool and butter had become more important, according to L.M. Cullen, An Economic History of Ireland Since 1660, London 1976, Ch. 1.

10. Crotty, ibid, p. 40, notes that William Petty, the first political economist and a pioneering social engineer, drew the logical conclusion from "the fact of ownership of Irish land by metropolitan interests", as he "recommended that most of the disaffected Irish be removed to England to work there as labourers and tradespeople; that the country be converted into a cattelwalk, supporting six million cattle; these cattle to be tended by 200,000 people left in Ireland, and the cattle's produce to be shipped to England. Petty argued that the island, by the removal of its most of the disaffected population, could be most easily secured by England against foreign enemies; and could in this way also be made to yield the greatest profit to its new proprietors. Had Petty's recommendations been implemented, there would have been no "Irish question" any more than there has been a North American, New Zealand or Australian "question."" Petty actually wrote this in his Treatise of Ireland, published in 1687, in a period when a different dynamic was already on the way, but his views turned out to be visionary concerning the third phase after the 1820s.


13. ibid, p. 34.

14. Crotty, Ireland in Crisis, op. cit., p. 42. Crotty prefers the term "coole", while we maintain the term "cotier".


16. "The bourgeois tenants could not themselves rehabilitate land that was quickly exhausted by grain-growing in a cold, wet climate, in the normal way by leaving the land longer under pasture and grazing the pasture with labour-intensive cattle. This was partly because, at going price ratios, beef cattle gave a much poorer return to land than dairy cows; partly because the critically scarce winter fodder was needed for dairy cows and could not be spared for dry stock, and partly because competitive pressures forced them to plough leg land as soon as it was restored enough to grow another cereal crop and before it had recovered sufficiently to become useful grazing or meadowing land." Crotty, "Modernisation and Land Reform", ibid., p. 109.


19. David C. Coleman, "The Demographic Transition in Ireland in an International Context", in John Goldthorpe and Chris Whelan, editors, The Development of Industrial Society in Ireland, Oxford 1992, notes that demographers still explain the population explosion with reference to the fact that traditional restraints on early marriage had been eroded due to the ease with which a family could be supported by potatoes: "Ireland's population actually grew faster than late 18th century England and anywhere else in Europe."


21. The share of land owned by Catholics developed as follows: 60 percent in the 1640s, 14 percent in the 1690s, 10 percent in 1700 and 5 percent in 1775. Maureen Wall, "Catholics in Economic Life", in L.M. Cullen, editor, The Formation of the Irish Economy, Cork 1968.

22. "Some of the more radical elements in the Irish Volunteers also sought universal suffrage and the repeal of the Penal Laws against Catholics, but few of the Protestant landlords, aristocracy or middle class were prepared to back these demands. The landowners were especially conscious of the insecurity of their position in view of the claims of the larger population of native Catholic Irish to be rightful heirs to the land. Unlike the American colonists, for instance, they needed the security of British support and they eventually allied with Britain to oppose the radical Volunteer elements, which were mainly composed of Protestant middle-class intellectuals and landless men. In the end the radicals gave in without a battle." O'Malley, Industry and Economic Development, op. cit., p. 38.

23. "While the great majority of the United Irishmen were Catholics, the rising was led by Protestants, many of them Presbyterian manufacturers and tenant farmers from Ulster who also suffered economic and political discrimination." Rowthorn & Wayne, op. cit., p. 19. For a survey of the United Irishmen, see R. F. Foster, Modern Ireland, London 1988, pp. 264-270. Many Catholics joined the United Irishmen, "but inevitably in the south many of them identified Protestants with the English — and she and their landlords — and the movement there began to take on a sectarian character. In the north, Protestants, especially men of property including the relatively secure tenant farmers, increasingly saw their interests as opposed to those of Catholics. By the time of the 1798 Rebellion, Protestant participation was quite limited. But, significantly, some of the Protestant Belfast cotton manufacturers, whose interests (unlike those of the linen manufacturers) lay increasingly in economic separation from Britain, were prominent in the Rebellion." O'Malley, op. cit., p. 38 f.


25. Brian Guin, "Nationalism, Capitalism and Economic Development: The Politics of Instability in the European Periphery", unpublished conference paper, (Leuven, Belgium), September 1990, p. 26 f, notes that Ireland was the only region of the British empire to be politically integrated in the imperial system, being granted full representation at Westminster. Formally, it was a region within the core which dominated all the colonies, not a colony.


28. The impact of the potato has been the subject of attention by economic historians in most European countries.

29. The population of Sweden was 2.04 million in 1770, Norway had a population of 0.72 million in 1769, Denmark 0.8 million in 1769, Finland 0.56 in 1769, while Ireland had 3.58 in 1772; B. R. Mitchell, European Historical Statistics 1750-1970, London 1975, Table B.1, and footnote 37.


32. Senghaas sums up Denmark's development as follows: "Denmark's development thus began with agricultural modernisation, linked to an agriculture-based industrialisation. Despite a considerable export bias and despite Denmark's trade being excessively concentrated on England, the domestic economic development potential was progressively exploited from the very beginning. In Denmark, the disruption of the regular economic links during the world-wide economic crisis at the end of the 1920s and beginning of the 1930s resulted in a further industrialisation impulse which led to the diversification and intensification of productive capital. The postwar boom accelerated this process and resulted, by the end of the 1960s, in a structural profile which is metropolitan in every respect." Senghaas, Von Europalernen, Frankfurt a. M. 1982, (English translation: The European Experience: A Historical Critique of Development Theory, Leamington Spa & Dover 1985), p. 129 (English edition, p. 84).


34. Ibid. p. 120 (English edition, p. 77).

35. Ibid. p. 169 f (English edition, p. 113).

36. Ibid. p. 174 (English edition, p. 119). Senghaas does not provide any tabulation of the different structures of land holdings, but according to the indicator supplied in the reference in Chapter 7.1 above (reference 94, p. 184). The distribution of landholdings is much more unequal in Uruguay than in any of our case countries.

37. Ibid. p. 188 (English edition, p. 130).

38. But the 1917 data include Northern Ireland, which had smaller farms. For the Republic (26 counties), the distribution of land holdings was thus even closer to the Danish one. (R. Crotty, personal communication, January 1992.)

39. This presentation relies on Joseph Lee, "Irish Agriculture", Agricultural History Review, 17:1, pp. 64-76. Lee does not accept this view.


41. Menzel, Ausweise aus der Abhängigkeit, op. cit., p. 163. For the gradual reduction of British tariffs, see Menzel's Table 93, pp. 442-3.

42. Ibid. p. 170.

43. A classic comparative study dealing with Britain, Germany, France, Italy and Denmark, is Charles P. Kindleberger, "Group Behavior and International Trade" (1951), in Kindleberger, Economic Response, Cambridge, Mass. 1978. Denmark's adjustment was already mentioned in Chapter 6. Jørgen, quoted at the end of that section, emphasised that the change in international prices probably hastened the Danish transition, without being its cause. This would seem to support Crotty's alternative interpretation.

44. Crotty, Irish Agricultural Production, op. cit., p. 80 f.

45. Ibid. p. 81. Serfdom persisted in Denmark until the late 18th century, in Ireland it had been done away with much earlier, because of the extensive type farming.

46. Ibid. p. 71.

47. Ibid. p. 75.

48. Ibid. p. 72.

49. Ibid. p. 73.


51. This is Crotty's definition of capitalism as based on capital-intensive agriculture, cf. Chapter 4 above: That definition covers a rather narrow world region for a long historical timespan, while most other definitions cover more regions for a shorter historical timespan.

52. Crotty, Irish Agricultural Production, op. cit., p. 77.

53. Ibid. p. 76. For an additional argument that labour for milking involved no great additional costs in Denmark.

54. Ibid. p. 76. Crotty separately also discusses pig and sheep production. As for pig production, Danish production increased, thanks to a safe and developed system of feeding stuffs, and a favourable development of the pig-price/input-price relationship. In Ireland, there was a diminution of home supplies of feeding stuffs and a less favourable development of the price-relationship. As for sheep, cf. p. 80. The number of sheep expanded more in Ireland, partly because Ireland was understocked.


58. Not in the table, but more important for Ireland, since at that time cows were 1/4 of total cattle: 100,000 versus 400,000.

59. But note that in Ireland, these were higher than the European average; because it was so difficult to grow crops they could be grown only on the most selective areas.


61. Menzel, op. cit., p. 168 notes that: "The crucial question is, how these reform measures influence agrarian developments", but he does not really answer this question.


65. Crotty, Ireland in Crisis, op. cit., p. 43. (The Cattle Acts had been repealed earlier.)

66. Ibid. p. 44.


69. In terms of comparative analysis, the obvious task would be to trace the last severe famines in our contrast countries. There has, however, been no time to compile a list with the major data (on excess deaths, etc.). But given that Table 6.1 indicated that only Finland was in a comparable backward position in the mid 19th century, a Finnish-Irish comparison seems the most relevant one. Population had grown strongly in Finland in the 18th century. In the 19th century - unlike Ireland - this growth faltered. Still, there were Finnish famines in the early 1830s and late 1860s, with no parallels elsewhere in Scandinavia. Since emigration was retarded and industry only came late, the pressure on the Finnish soil was dramatic. Following the disastrous harvest of 1867, about 8 percent of the Finnish population died, that is about 137,000. Cf. Jørberg, "The Industrial Revolution in the Nordic Countries", op. cit., p. 473. For comparison, 1 million excess deaths, 8 million in the case of Ireland 1847-9, gives about 12.5 percent of the population. Whereas the Irish agricultural crisis in the 1840s was the outcome of market relations penetrating the rural community in a situation with highly uneven distribution of property (cf. especially the explosion in the number of cottiers), the Finnish crises occurred in a relatively egalitarian subsistence-oriented agrarian mode of production.

71. Coleman, "The Demographic Transition in Ireland in International Context", *op. cit.*


73. *ibid.*, p. 40.


75. This account relies on O’Malley, *ibid.*, p. 47 ff.


79. A comparison with Denmark suggests that the home market is most important. As for Sweden, it may turn out that there was successful development of industrial centres, while Norway was lucky that the waterfalls could be used for energy-intensive production. Finland still relied on its forests. O’Malley op. cit., rejects alternative explanations of Irish industrial decline (capital shortage, the coal price), claiming that due to the union, Ireland could not protect its industries and implement policies for development. We shall discuss this explanation further below.


82. Girvin, *op. cit.*, p. 27, p. 45. Few other regions within European states developed such a sense of distinctiveness.

83. *ibid.*, p. 213.


88. Crotty, "Modernisation and Land Reform", *op. cit.*


92. Stein Rokkan, *Citizens, Elections, Parties*, Oslo 1970, Ch. 3, Table 4, p. 124. As for our contrast cases, the comparison includes Austria, Switzerland, and Finland. Sweden and Denmark are not dealt with since they did not break out from larger political entities.


94. Rokkan, *Citizens, Elections, Parties*, *op. cit.*, Ch. 3, Table 5, p. 132.


96. Miller, "Class, Culture, and Immigrant Group Identity", *op. cit.*, p. 103 ff describes O’Connell as an organic intellectual of the Catholic bourgeoisie in the pre-famine period. In that period, the middle class was clearly separated from the Catholic masses of artisans, smallholders, cottiers and labourers, many of whom were illiterate.


98. At that time, of course, the franchise was narrowly restricted to the upper classes. Peter Flora, *State, Economy, and Society in Western Europe 1815-1975: A Data Handbook*, Vol. I, Frankfurt a.M. 1983, p. 123, provides the following numbers for the electorate as a percentage of the enfranchised age group (and in brackets; the electorate as a percentage of population of 20 years and older): 1831: 3.5, 1851: 4.6, 1866: 6.1, 1866: 6.9, 1869: 6.1, 1871: 17.3, 1881: 17.8, 1886: 59.1 [274.4], 1889: 62.3 [289.1, 1918: 86.3 [741.1], 1922: 90.1 [775.5], 1923: 99.9 [972]]. This shows that the major extension of the franchise happened as a consequence of the British Electoral Reform 18845 (which still excluded above all domestic servants and recipients of British benefit). The vote of universal and almost equal suffrage was male voters, extended to women over 30 years in 1918 (The numbers in brackets shows that the extension of the franchise for women took place mainly in the 1891 reform and after independence.) The Irish nationalists fought for equal rights for Catholics, while being free riders on British extensions of the franchise.

99. The names used were the “Irish Republican Brotherhood” and “Clan-na-Gael”. A source of inspiration was the Irish warrior Finn MacCumhal (MacCoid). F. the followers, the Fianna.

100. During the 19th century, about 5 million Irish Catholics settled in North America. Irish-American nationalism became an important part of national Irish nationalism. In the 1860s, the Fenian movement had 50 000 American members. Miller, "Class, Culture, and Immigrant Group Identity in the United States", *op. cit.*, p.116.


103. Akenson, *The Irish Education Experiment*: *op. cit.*, p. 140, p. 346. The illiteracy rate for Roman Catholics declined from 45.6 percent in 1861 to 16.4 in 1901.

104. For comparative indicators of religious devotion, see Chapter 11.3, subsection on Nationalism and Catholicism.

105. Tom Garvin, *The Anatomy of a Nationalist Revolution: Ireland, 1858-1928*, *Comparative Studies in Society and History*, 1996, p. 485. Studying the background of the nationalist leaders, Garvin found that many of them had achieved some third level education from such institutions.

106. Rokkan, "The Growth and Structuring of Mass Politics in Western Europe", *op. cit.*, p. 71, gives the following summary: "The Finns mobilised to defend their language and their inherited culture against the Swedish ascendancy but found a common ground with their masters in the Lutheran religion: in fact, the Church was quick to open up channels of recruitment from the ranks of the Finnish peasantry and soon became an important agency of national mobilisation and integration. In Ireland there was no such bridge-building: after the defeat of the Rebellion of 1798 and the consolidation of the Orangeist alliance of the Protestant proletariat and peasantry with the English gentry elite, the counter-mobilisation was spearheaded by the Catholic bourgeoisie under O’Connell and the fight for Irish independence was defined as a crusade for the restoration of the rights of the Ancient Church." The main difference, however, was that Finland’s Swedish ascendancy elite had been cut off from the Swedish state, while the Anglo-Irish ascendancy elite maintained their ties to England. In the counterfactual case of Irish independence in the late 18th century, who knows whether the ascendancy elite would have adjusted to the requirements of the growing Catholic middle classes.

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107. Garvin notes the strange mix of being a peripheral region and a colony: Ireland “was and is subject to a unusually complete cultural blanketing by its erstwhile colonial metropole, and is, almost uniquely in Western Europe, a post-colonial successor state”. He compares it to Finland, which was “never submerged institutionally and culturally to the same extent”. Tom Garvin, “Nationalist Elites, Irish Voters and Irish Political Development: A Comparative Perspective”, *Economic and Social Review*, 8:3, 1977, p. 162.


109. There is a certain parallel here between the compliants and the representatives of the Catholic middle classes in the case of the 1800 Act of Union. There is also a parallel between Constitutionalists/Compliants and radical/moderate Irish nationalists a hundred years later.


111. Ibid. p. 265.

112. Alapuro uses the Baltics as the main comparative contrast to Finland. Like Finland the Baltics were parts of the Russian empire and obtained national independence as a consequence of the breakdown of the Russian empire during World War I. The Baltic elites also had a foreign language and culture, namely German. However, the Baltics did not experience the same degree of nation-building prior to independence, as there was no linguistic conversion among the upper classes, and agrarian relations were dominated by a manorial system supported by a large feudal and peasant system. The Baltic elites remained loyal to Russia, as they were dependent on the empire to sustain this system. Their aristocratic stance towards the lower classes made it natural for them to stick to German language and culture. Alapuro, *State and Revolution in Finland*, op. cit., p. 223-228.

113. Cf footnote 106 above.

114. Again, the diaspora abroad was crucial. In the early 1880s the Irish National Land League of America counted half a million supporters. Miller, “Class, Culture, and Immigrant Group Identity in the United States”, p. 116.

115. It is impossible here to deal in more detail with the complicated divisions and alliances among classes and strata within Irish agriculture. Two major studies. Paul Biew, *Land and the National Question in Ireland, 1858-82*, Dublin 1978, and Samuel Clark, *Social Origins of the Irish Land War*, Princeton 1979. Further, strongly emphasizing class divisions within the Land League, Clarke the collective action of all Irish Catholic farmers against landlords. Cf. L. P. Curtis, “On class and class conflict in the land war”, *Irish Economic and Social History*, VIII, 1981, Kerby Miller, “Class, Culture, and Immigrant Group Identity in the United States”, op. cit., talks about a homogenous Irish Catholic bourgeoisie, including the Church hierarchy, the urban shopkeepers and tradesmen, as well as middle to large farmers. We are basically following this rough approach, but have at times distinguished between poorer peasants and more well-to-do tenant farmers, and we shall later make a distinction between graziers and tenant farmers.


117. Parnell thus fought the Anglo-Irish ascendency elite to which he himself belonged. The majority of the Protestant population, however, was against Home Rule, fearing that Home Rule by Catholics would deprive them of their special privileges which dated back to the plantations.

118. This was a secret party of republican radicals. Cf. Garvin, “The Anatomy of a Nationalist Revolution”, op. cit., p. 475-80.


121. Ibid. p. 382-4.

122. Ibid. p. 391, with reference to James Wilson, “Tillage versus grazing”, *Journal of the Department of Agriculture and Technical Instruction for Ireland*, V,2, 1905, pp. 217-35 as an early discussion of this, calculating that expenditure in pasture farming was about one-fifth of that in tillage.


124. Crotty, *Irish Agricultural Production, Its Volume and Structure, op. cit.*, p. 82 calculates that in 1905 the truly competitive rent would have been about £30 million, while the rent the occupiers paid was only £16 million. Thus, the proposal made by Davitt at the time of the land reforms in the 1890s, a system in which “the peasant would hold his land from the state, subject to payment of taxes approximating to competitive rents” was not at all considered. Crotty, p. 82, notes that Davitt’s proposal coincided with Henry George’s view (*The Irish Land Question*, New York 1881) that peasant proprietorship would not solve Ireland’s problems. As for the contrast with Denmark, Crotty, p. 82, writes: “Because of its political and economic dependence on the peasants, the Danish monarchy sought to strengthen their rights and welfare. The fiscal laws, being based largely on property taxes, discouraged the amassing of landed property, as likewise did legislation forbidding the amalgamation of small holdings. Continuity of social customs and values restrained the growth of population and this, combined with a predominantly tillage farming which required large inputs of labour, resulted in relatively high returns to the worker for his work.”


127. Northern Ireland has 6 counties, four of them, Londonderry, Antrim, Armagh and Down with more than 50 percent Protestants, Tyrone and Fermanagh have between 30 and 50 percent. The Official Unionist Party ruled for 50 years without interruption (1918-68). Northern Ireland had Home Rule, and the British used very few resources to administer it. Rowthorn & Wayne, *Northern Ireland: The Political Economy of Conflict*, op. cit., p. 23 ff.


129. Ibid. p. 484.

130. This activity was strongly supported by the Irish diaspora. Up to 1916, there were many donations and great organisational activity, and in the period 1916-1921, over 800,000 Irish-Americans joined nationalistic organisation, remitting over $10 million to assist Sinn Féin and the IRA in the liberation struggle. Miller, “Class, Culture, and Immigrant Group Identity in the United States”, op. cit., p. 116.


132. Ibid. p. 140.

133. Rokkan, “The Growth and Structuring of Mass Politics in Western Europe”, op. cit., p. 72. In Northern Ireland this created a cleavage between an underprivileged Catholic proletariat on the one hand, and a Protestant bloc of privileged workers with secure, intermediate jobs, communicating extensively with their employers in Orangist organisations. In most other European countries at that time, the authorities were coping with the so-called “social question” linked to the growth of a large proletariat. A main reason why such a question never really came up in Ireland was the dominance of this particular cleavage in the core industrial city, Belfast.

134. As an exercise of counterfactual reasoning, one could try to imagine the Turku area joining Sweden in 1918. But even in such a case, it seems unlikely that Finland would have problems on a scale similar to those of Ireland. Finland was religiously homogeneous with Sweden.

135. See footnote in Chapter 11.1.


137. Garvin, “The Anatomy of a Nationalist Revolution”, *op. cit.*, p. 481. As already noted, a similar tension had existed in Finland, but the tensions between Young and Old Finns only took the form of electoral competition, without organisational and military consequences.


139. Garvin, “The Anatomy of a Nationalist Revolution”, *op. cit.*, p. 491; “Guerrillas tended to be younger and more uncompromising. It was the pre-treaty IRA of the south and west that was to become the main heir to radical republicanism in Ireland, apparently echoing pre-1914 traditions. Defeated in
123. they nevertheless came to dominate party politics in independent Ireland eventually, and their ultraseparatist wing was found to a "new" and uncompromising IRA tradition. The mentality of this defeated group has had many ways dominated most active republicanism in both Ireland and Irish America ever since. For the social basis of the civil war division, see Garvin, p. 489.

140. ibid. p. 492.

141. ibid. p. 484.

142. This typical statement is from the nationalist historian George O'Brien, The Economic History of Ireland from the Union to the Famine, London 1921, p. 351, quoted in Garvin, "Nationalism, Capitalism and Economic Development", op. cit., p. 34.

143. L. M. Cullen, "Irish Economic History: Fact and Myth", in L. M. Cullen, editor, The Formation of the Irish Economy, Cork 1968; and Joseph Lee, Capital in the Irish Economy in the same collection. The launching of this revisionist view seems to correspond to the new outward turn in industrial policies, cf. Chapter 12 below.

144. O'Malley, Industry and Economic Development, op. cit. Cf. Chapters 3 and 11. It can be argued that such arguments reflect the phase in which the problems of the industrialisation by invitation strategy had become manifest, cf. Chapter 12 and Part V.

145. Denis O'Hearn, "The Irish Case of Dependency: An Exception to the Exceptions?", American Sociological Review, 54, August, 1989, p. 579 claims that even in the 19th century, British laws "outlawed certain lines of industry and exports", but he gives neither sources, nor an indication of how long into the 19th century such legislation was maintained.

146. Garvin, "Nationalism, Capitalism and Economic Development", op. cit. p. 34.

147. If we venture into the foggy area of counterfactuals, it might be argued that if Ireland had won independence earlier, its reliance on British type institutions might have been even stronger than it was in the post-1922 period.

148. Similarly, Cullen argues that the Union was not to blame, since Ireland's problems of industrial development were still to those of other small industrial centres in Britain (e.g. Norwich). The decline of the Irish textile industry was just the consequence of the concentration of the textile industry in Lancashire and Glasgow (pair advantages/external economies). Cullen, An Economic History of Ireland since 1660, op. cit., Ch. 5.


150. Lee's more specific explanations will be surveyed further down in this section.

151. O'Malley, Industry and Economic Development, op. cit. p. 53. The figures provided in Table 2.2. above, are slightly higher. Kennedy, Giblin & McHugh, The Economic Development of Ireland in the Twentieth Century, op. cit., p. 47, notes that one firm, the Protestant Guinness Company, accounted for 30 percent of Ireland's total manufacturing value added in 1926.

152. Croft, "Capitalist colonialism and peripheralisation: The Irish Case", op. cit. p. 229 explains the exceptions to Irish deindustrialisation as follows: "The English core produced no products directly competitive with Irish linen or whiskey; beer, as a result of the steep rise in the 1850s in the Irish excise on whiskey and of the escapist demand of a ruined society for alcohol, was the only commodity the consumption of which increased more rapidly in Ireland than in Britain in the second half of the nineteenth century; and Belfast shipbuilding owed its success to the identity of interests of protestant shipyard workers and employers in the face of a hostile catholic majority competing for jobs in an island, where for 150 years, half of those born have starved or emigrated. The close collaboration and ready innovation that identity of protestant interest generated were crucial in the technologically advanced iron shipbuilding industry of the second half of the nineteenth century."

153. We have earlier discussed Senghaas' explanation. His principal explanatory factors are the distribution of landholdings and of income. This explanation has already been assessed, but one qualification is necessary: the agrarian structure traced in Table 11.2. was the result of the late 19th century land reforms, analysed in Chapter 11.2. Before the land reforms, and especially before the Famine and the huge outflow of emigrants, agrarian relations in Ireland were very egalitarian, with weakly absentee owners, widespread subsistence peasant activities and a large landless proletariat (cf. Table 11.9). If data had been available, they would have shown greater inequalities in Ireland than in any of the contrast cases at that time. But on the other hand, even the Scandinavian countries had a strong growth of the cottier strata, and Finland, as we have seen, experienced a large growth in landless agrarian workers later than Ireland (Table 11.9). Furthermore, we have also seen that there are other decisive differences, for instance in geo-climatic conditions, which are in any case not reflected in the different distribution of agrarian holdings.


155. Ireland has an abnormally high dependency ratio and a lower density of population per square mile of agricultural land than any other agricultural country in Europe. Robert O'Connor, Eoin O'Malley & Anthony Foley, Aspects of the Swedish Economy and Their relevance to Ireland, The Economic and Social Research Institute, Broadsheet, No. 16, December 1978, p. 100 f.

156. Franklin D. Scott, "The Study of the Effects of Emigration", Scandinavian Economic History Review, VIII, 2, 1962, p. 164, mentions that in the 1920s in Sweden, emigrants from the U.S. were 7.5 percent of the gross annual product of the forests, 2 percent of the gross product of agriculture, and 1 percent of the incomes from manufacturing, mining and crafts. It was at the most 25 percent of the balance of payments. Calculations were made by Erik Lindahl, et. al., The National Income of Sweden, 1861-1930, Stockholm 1964. Miller, "Emigration, Ideology and Identity in Post-Famine Ireland", op. cit. p. 320 f, the second half of the 19th century were about £ 1 million. As noted in Chapter 12 remittances were one of the factors which solved Ireland's domestic payments problems until the 1950s. At that time, they were surely even larger than in Sweden.

157. Eoin O'Malley, "The Decline of Irish Industry in the Nineteenth Century", The Economic and Social Review, 13,1, 1981, p. 35 mentions the Danish case, but notes that the possibility of agricultural machinery as a new leading sector was closed for Ireland by the small-scale, grazing-oriented agriculture.

158. Kennedy, "Farmers, Traders, and Agricultural Politics", op. cit., p. 367 f. The dominant view in the Nationalist party was hostile toward the cooperative movement. Kennedy feels that this was due to the political influence of traders, and that despite electoral reforms, farmers were under-represented and traders over-represented in political life. This, he argues, shows a clear continuity between pre- and post-independence Ireland.


161. Herman Solpe, "The Cooperative Movements", in Erik Allardt, et. al., Nordic Democracy, Copenhagen 1981, p. 363-365; agricultural cooperation is similarly important in Finland (p. 371-3) and Sweden (p. 380-2), but since agricultural exports are not so important for the development of these countries, the comparison is less relevant.

162. I owe these points to P. Commins, TEAGASC, Dublin.


164. "The folklore of the nineteenth century is the struggle of the Gael to regain the land; the reality of its conclusion was a small farm pattern which ... could be sustained only by the safety-valve of emigration and by subsidisation ... This uneconomic but atavistic clinging to peasant ownership is perhaps the greatest political influence bequeathed by the nineteenth century on the twentieth, perhaps more decisive even than any issue of nationality or religion. The achievement of successive English reform administrations, from Gladstone's to Balfour's, was to convert the great bulk of the
Irish peasantry from social revolution to social conservatism. In so doing they largely dictated that the pattern of the final, national, revolution should be socially conservative.” Thornley, “Historical Introduction”, op. cit., in Basil Chubb, *The Government and Politics of Ireland*.


Crotty’s comparison of Denmark and Ireland reported in Chapter 11.1 above accepts Irish adjustment as rational, given the natural constraints and given that free time and labour are accepted. If a normative condition is added, namely that a country should be able to provide employment for all the people born there, then the whole analysis must look wider than just natural and climatic conditions. At this point, Crotty introduces his discussion of the relationship between land and tax reforms.

Cf. Chapter 11.1.


Cf. Chapter 4 above.

Cf. the remark by Beddy, quoted towards the end of Chapter 11.1.


Ibid. p. 16, p. 18, p. 20. No aggregate data were given for Switzerland, but more disaggregated data provided in R. J. Champiche, “Switzerland”, in Hans Mol, editor, *Western Religion*, p. 516, suggests that Switzerland is somewhere in between Ireland and Austria.

Mol & Hetheron, ibid. p. 18. The fact concerning religious broadcasts is largely due to the absence of alternative broadcasting programmes in the 1960s. The Scandinavian level of church attendance (religious participation) is in fact exceptional in comparison with any other Christian country.

Ibid. p. 18.


Mol & Hetheron, op. cit., p. 20.


The process of party formation is accounted for in Chapter 12.2. The question of whether the two major Irish parties reflect a social cleavage has been much discussed in Irish political science. Cf. particularly J. H. Whyte, “Ireland: Politics Without Social Bases”, in Richard Rose, editor, *Electoral Behavior*, New York 1974. Also R. K. Carthy, *Party and Parish Power: Electoral Politics in Ireland*, Dingde, 1981, p. 93-97, critiques the attempts to trace a social cleavage-line between Fianna Fáil and Fine Gael. Carthy is critical of the view that the rise of Fianna Fáil was the result of the mobilisation of the western periphery against the eastern core. He claims that the socially based mobilisation in Ireland ended before independence, and that the Irish party system is based on a purely political cleavage. Other electoral researchers have contested this interpretation, but we cannot possibly deal with this debate here. It is at any rate clear that compared to our Scandinavian cases, the two larger Irish parties involve more elements of catch-all politics.


Ibid. p. 215.


Inglis, *ibid.*, p. 220.

Inglis, *ibid.*, p. 222.

Coleman, “The Demographic Transition in Ireland in International Context”, *op. cit.*. This is also very clearly brought out in Kingsley Davis, “The Theory of Change and Response in Modern Demographic History”, *Population Index*, 21-4, 1963.


Certainly the dominant authority structure in Ireland is the church. It is in a word omnipresent. To be Irish is to be Catholic. The church’s values permeate the political culture and constitutional order; its teachings and teachers dominate the socialisation system; its formal structures set a standard for social and political organisation. The Irish church is an anti-intellectual, male-dominated, authoritarian, hierarchical organisation which rewards loyalty and faithful service. So are Irish political parties.” Carty, *Party and Parish Power: Electoral Politics in Ireland*, op. cit., p. 142.


Ibid. p. 645 f.

Ibid. p. 374. Crotty also works with such a perspective, see Chapter 4.2 above.

Ibid. p. 375.

Ibid. p. 390 ff.

Ibid. p. 391.

Ibid. p. 392.

Ibid. p. 392. At this point, Lee agrees with Crotty, cf. last subsection on “The post-colonial state” above.

Ibid. p. 392.


Ibid. p. 517.

Ibid. p. 103 f.

Ibid. p. 520 f.

Ibid. p. 104. Lee, “Women and the Church since the Famine”, *op. cit.*, p. 42 judges Irish society in the century after the Famine as follows: “Its social body was ravaged by the diseases of materialism and emigration. It claimed to venerate the family as the fundamental unit of society and yet insisted on depriving a higher proportion of its people of the opportunity of establishing a family than any other European country. It was a sick society, where modest wealth accumulated and men and women emigrated. No such society wants to reflect — or to hear others reflecting — that it can maintain its social structure only by constant doses of social blood letting. A traditional function of churches in such circumstances is to supply the cosmic to conceal the sickness. In a society preoccupied with appearances, the moral utilitarian plays an indispensable if unheroic role.”

In this connection it is interesting to note that the religious enthusiasm is not strong among U.S. descendants of the emigrants: In the U.S. in 1979, 44 million people claimed to be of at least partial Irish descent, but only 7.5 million (that is 17 percent) of these claimed to be Catholics. D. N. Doyle, “Contemporary Irish identity: a Roman Catholic’s Reflections”, *Crane Bay*, 9.2, 1985, p. 150, n. 38.

K. Miller, *Emigration, Ideology and Identity in Post-Famine Ireland*, *op. cit.*, interprets the 1922-23 civil war as such a disruption, claiming that it was the lower strata of the nationalist movement which turned to more extreme nationalism in the 1922-23 civil war.

Ibid. p. 522 f.

Ibid. p. 523.

Ibid. p. 525.
208. ibid., p. 527.


210. Scott, "The Study of the Effects of Emigration", p. 166 presents the views represented by Sean Ó Faoláin, "Look Homeward, Angel", in The Impact of America on European Culture. Boston 1951, pp. 57-47, "where he describes the Irish emigrants as wanting the old country to remain old-fashioned, traditional, even backward, as when they had left home.”

211. Quotes from Hannan & Commins, op. cit., p. 38-40.


214. Ingels, op. cit., p. 223 f. At one point in his book, Lee uses the Catholic Church to prove that the possessive principle was not inherent in the Irish nature. Referring among other things to the achievements of Irish missionaries abroad, he claims the Catholic Church was the one institution which displayed performance! Thus, the power of the possessive principle was “shaped by a specific historical conjuncture”. Lee, op. cit., p. 392, pp. 395-396. But it might be that there is a certain discrepancy between the conservative powers of the Catholic “hierarchy” at home, and the achievement of the Irish Catholic church e.g. in the missionary fields.


218. OECD in Figures 1988 gives the following percentages for imports of goods (not services) as a percentage of GDP: Finland 21.8; Sweden 24.8; Denmark 27.8; Austria 28.5; Switzerland 30.3; and Ireland 47.3.

219. This problem, Ireland’s strong links to the country with the most sluggish postwar growth performance, is emphasised by many scholars, cf. e.g. Kennedy, Giblin & McHugh, op. cit.


221. Still, some Finnish specificities remained: a 50/50 split of the left wing persisted through the postwar period. Only in the late 1980s did the decline of the Communist party reduce it to the standard Scandinavian position of oblivion. But the system stimulated compromises anyway. This was due to the strict majority rules laid down in the constitution. Also the fusion of the two labour union federations in 1968, was important. See Chapter 9 above, and Part V below.


224. In 1960, there were about 53 percent Protestants, and 45 percent Catholics in Switzerland. Roland J. Campiche, "Switzerland", in Mol, editor, Western Religion, op. cit., p. 523.


227. The subject of some famous critical attacks, e.g. by Keynes and by T. Balsogh, "The apotheosis of the dilettante: the establishment of mandarins", in H. S. Thomas, editor, The Establishment, London 1959.


229. A. Cohan, The Irish Political Elite, Dublin 1972, p. 38-39 mentions that the staff of the bureaucracy was one of the few groups in the new Free State which had not played a prominent role in the revolutionary events of 1916-23.


231. Mart Bax, "The Political Machine and its Importance in the Irish Republic", Political Anthropology, 1:1, 1975. In political machines, the politician (here a TD, the Irish term for Member of Parliament), is a broker operating between clients and producers of public benefits. Cf. Ch. 4 on clientelism.

232. Out of Ulster’s counties, only three (with 15 to 30 percent Protestants today) — Donegal, Cavan and Monaghan — were left in the Irish Republic.

233. Hans Chr. Johnsen, Danish Historical Statistics 1814-1980. Copenhagen 1985, Table 7. In 1855, only 12.8 percent of these 20 percent employed in handicraft and manufacturing industry were in textiles, cf. Menzel, Auswege aus der Abhängigkeit, op. cit., Table 51, p. 267.

234. O’Malley, Industry and Economic Development, op. cit., p. 53. The figures provided in Table 6.1 above, are slightly higher. Kennedy, Giblin & McHugh, op. cit., p. 47, note that one firm, the Guinness Company, accounted for 30 percent of Ireland’s total manufacturing value added in 1926.


237. Kennedy, Giblin & McHugh, op. cit., p. 35-36; Crotty, Ireland in Crisis, op. cit., p. 70-71.

238. This was discussed in Chapter 12. The Nordic countries, however, do not have as extensive apprenticeship systems as Austria and Switzerland.

239. R. Breen, D. Hannan, D. Rottman & C. Whelan, op. cit., p. 139. A. Dale Tussing, Irish Educational Expenditures — Past, Present and Future, Dublin (ESRI) 1978, p. 58, notes that until the 1950s, Irish first and second level curricula did not aim to prepare the youth for employment, rather the “moral, intellectual and religious” roles of schools were emphasised.

240. The Irish Land Acts involved payment of annuities to Britain. The refusal of the Fianna Fáil government to make these payments started off a vicious circle of punitive tariffs. Cf. Kennedy, Giblin & McHugh, op. cit., Ch. 2 for an overview of the escalation of customs protection between Ireland and England. The two large export items (Table 12.5) were hardest hit (live animals and other food). This was a phase of rising protectionism between all countries of the world economy, so it is hard to single out the impact of the Economic War from the general protectionist trade policy and the overall great depression. At that time — as is evident from Table 12.1 — all our Nordic contract cases had England as their single most important trading partner. They all, however, concluded preferential agreements with England, with quotas for their most important export products. Kennedy et al., p. 45, note the possibility that Ireland would have been better off by such preferential agreements than by the Economic War. The Irish share of U.K. imports declined substantially as a consequence of that war. It may well be that Denmark, for example, won larger agricultural quotas at Ireland’s expense. This topic, however, cannot be investigated further here.


242. The question of whether Ireland would have experienced a development more like the contrast cases if Northern Ireland had remained in the Republic is of course impossible to answer. The more economic and technical side of this question is the extent to which maintenance of the Belfast centre in the Republic would have stimulated stronger industrialisation related to agriculture. But the political side of it is even more difficult: counterfactual scenarios as to what the politics of such a Republic would have been must be just impossible to develop...


244. ibid. p. 46.
245. O’Malley, *Industry and Economic Development* op. cit., p. 59. F. O’Malley claims that the relative success of industrial development during the protectionist phase showed that barriers to entry had been a major problem. Cf. Chapters 2 and 3.


251. Fianna Fáil’s ascent to power represents a vague parallel to the Scandinavian red/green alliances, especially the way in which the interests of smaller farmers and industrial workers in sheltered sectors were aggregated. However, while farmers were probably dominant in the Irish case, labour was dominant in the Nordic cases. The Nordic social democratic parties were also dominated by secular forces, while Fianna Fáil emerged from Ireland’s “Catholic nationalism”.


255. *Ibid.* p. 184. The same paradox appears in Pyne, *op. cit.*, who finds that Irish political culture has an element of “cultural authoritarianism”, since the administration is highly centralised, with a focus on control rather than promotion of initiatives. But simultaneously, Pyne claims that a dependence on personal contacts rather than organisational procedures is typical of Irish political culture.


257. Mouzelis, *Politics of the Semi-Peripheries*. Cf. Chapter 4 above. Mouzelis’ approach is restricted to a specific group of countries. For instance, it cannot be applied to Austria, the only one of our contrast countries which developed a dictatorship in the late 1930s. In the Austrian case, the mobilisation of an indigenous fascist movement, and the closeness to Nazi Germany, were crucial factors.


259. $11 million and $12 million respectively in the 1940-48 period; O’Hearn, “The Road from Import-Substituting to Export-Led Industrialisation in Ireland”, *op. cit.*, p. 11 f.


262. Cosas Trachala (Irish Export Board) was founded in 1952, to advise firms that wanted to develop exports.


264. Quoted in O’Hearn, *op. cit.*, p. 20; p. 25: Then a clear proponent of the deflationist faction, Department of Finance senior official T. K. Whitaker in 1949 warned against the use of Marshall Aid to support new spending programmes.


268. Table 4.1. Irish unemployment was probably higher, since the Danish rate is only a percentage of unionised workers, and Denmark had virtually no emigration, so its labour force increased.


271. Cf. Table 4.1, columns III and V. As for exports, the period of independence up to 1958 is characterised by a decreasing volume of exports during the 1930s and World War II, and a relatively sluggish recovery of export volume in the postwar period. The 1924 level was not surpassed until 1960. Kennedy, Giblin & McHugh, *op. cit.*, p. 179.

272. Comparing income levels per capita, Kennedy finds that in 1913, the two countries were at about the same level, and since Austria fared badly during the interwar period, most of the gap (Austria being in the 1980s 60 per cent “richer” than Ireland) had opened up after 1950. Austria regained pre-World War II levels in 1953, while Ireland reached that level in 1960. Kieran A. Kennedy, “Economic Development and the Entrepreneurial Environment”, in Alan Mathews & Eda Sagara, *Economic Performance in Two Small European Economies: Ireland and Austria Compared*, Dublin 1988.

273. Calculations are based on census data reported in Peter Flora, *State, Economy, and Society in Western Europe 1815-1975. A Data Handbook*, Vol. II, Ch. IX. If data had been available for 1958, the situation for Ireland would probably have been even more grave.

274. Even the Irish authorities made international comparisons at that time. The report which signalled the new late 1950s departure in industrial policies, *Economic Development, 1958*, illustrated Irish performance in the 1950s by noting that in 1956, average income in Ireland was “roughly one-half of that in Denmark and Britain, one-third of that in Canada and one-fifth of that in the United States... between 1949 and 1956 the volume of gross national product increased by 8 percent as compared with 21 percent for Britain and 45 percent for OEEC countries generally... the increase in the volume of industrial output between 1949 and 1956 was 30 percent as compared with 62 percent for OEEC countries.” Quoted from O’Malley, *op. cit.*, p. 79.

275. See Lee, *Ireland 1912-1985*, op. cit., p. 373-397 for a discussion of the importance of Lemass. Lee specifically shows that Lemass and Whittaker’s ideas about a new strategy were connected to their conviction that emigration had to be taken seriously as a major drawback for Irish development. Cf. p. 385. As we saw above, Whittaker had earlier been an ardent deflationist.


277. O’Malley, *op. cit.*, p. 72-82: In 1959, maximum grant rates were 50 (33) percent for plant/machine costs and 100 (66) percent of buildings/land costs in designated (other) areas. In 1969, the legal maximum for new industry grants were 60 (45) percent of all capital costs in designated (other) areas. “Designated” are underdeveloped areas.


282. O’Hearn, “The Irish Case of Dependency: An Exception to the Exceptions?”, *op. cit.*, p. 582, Table 3, estimates Ireland’s FDI assets (end of 1978) to be 35 percent of GDP, which is higher than any other LDCs on his list. The closest ones are Jamaica: 34; Singapore: 22.2; Malaysia: 18.5; Hong Kong: 15 percent.


the main entry barriers. The fact that they remain the only ones in such lines of production, indicates that barriers to entry hamper newer firms (p. 116, p. 133). The third group is non-traded industries. One subgroup is building materials, which enjoy natural protection due to high transport costs, another group depends on flexible interaction with local customers, for instance printing and packaging stations, as well as clay, glass and cement. (Smurfit, Ireland’s largest firm, originated in the printing and packaging business). As for printing and packaging, O’Malley holds that Irish firms are “prospering in relatively sheltered areas, and being squeezed out of traded activities characterised by significant economies of scale in advanced countries” (p. 118).

294. O’Malley, op. cit., p. 125 f. As for the focus of government r&d appropriations, Ireland’s was strongly biased towards the agricultural field, unlike even Denmark, cf. Conor Maguire, Research and Development in Ireland 1977, Dublin 1979, Figure 8.8. A more active technology policy was proposed e.g. in OECD, Reviews of National Science Policy — Ireland, Paris 1974, C. Cooper & N. Whelan, Science, Technology and Industry in Ireland, Report to the National Science Council, Dublin 1973.

295. O’Malley, op. cit., p. 124 f. This point was also made in NESC, A Review of Industrial Policy. A report prepared by the Telecis Consultancy Group (1982).

296. The national system of innovation, may also — by the way — be described as a series of market imperfections, that is, non-market factors influencing economic performance.

297. O’Malley, op. cit., p. 121.

298. Kristensen, “Denmark — An Experimental Laboratory”, op. cit.

299. ibid, p. 11.


304. ibid, p. 24-5.

305. Møller Hansen, op. cit., p. 28.

306. Another of the small agro-exporting countries in Western Europe, The Netherlands, also shows strength in bio-technology. Despite Ireland’s position as a major agricultural exporter, such linkages do not seem to have developed here.

307. O’Malley, op. cit., p. 130 f. For the notion of Fordism, indicating the dominant growth sectors of the Golden Age, see Part II above.

308. It is often noted that inert features of the Fordist model are characteristic of the economic crisis of the 1970s and 1980s (cf. Chapter 4.5). But here we use these statistics to indicate the industrial structure which evolved in the 1960s.

309. O’Malley, op. cit., p. 139, p. 141. See p. 140 f for an account of the 18 sectors (about 39 percent of indigenous industrial employment) on which a possible recovery may rely.

310. The catch-all nature of the two largest parties was important in this respect. The two parties have “competed more and more for the centre, following pragmatic economic policies that are often indistinguishable from each other. Irish politics has not provided a hospitable reception for strong economic ideologies, whether of the left or of the right. Even the very moderate socialism of the Labour Party in Ireland has never commanded the votes of more than one-sixth of the electorate.” Kennedy et. al. The Economic Development of Ireland in the Twentieth Century, op. cit., p. 33f.


314. Pyne, op. cit., p. 29.

315. Pyne, ibid. p. 23. Within the present project, it has not been possible to conduct a closer comparison with the contrastive systems of the contrastive cases. Such a comparative study, however, should not be limited to a formal comparison of the constitutional system. Several of our contrast countries also have constitutions with a commitment to the doctrine of ministerial responsibility. Thus, the main question would be whether these administrative systems, with the same formal constitutional arrangements, in fact implement and practice this doctrine differently.

316. The phenomenon of family continuity in Irish politics is mainly related to the families of the revolutionary elite (who had become "political families by accident"). In the mid-1970s, 14 out of 148 TDs were sons (and one daughter) of former deputies, most holding seats that had earlier been occupied by their fathers. Chubb, op. cit., p. 94 f.


318. Lee Komito, "Irish Clientelism: A Reappraisal", p. 178. Economic and Social Review, 15:3, 1984. Komito distinguishes clientelism from brokerage, the latter relating particularly to larger political systems, where brokers monopolise the access to scarce resources provided by outsiders such as state agencies.

319. ibid. p. 178. This view is sceptical of Bax's interpretation based on earlier anthropological research. Bax argued that patrons can deliver prizes. As examples he mentions information-seeking and expelling cases, which are prizes which are compatible with Komito's notion of brokerage. However, he also mentions more tangible features such as grants, benefits, favours, jobs, licences, renting of a county council house, which are prizes typical of clientelism in a strong sense. Such prizes are produced mainly by the local government and the civil service. He argues that patrons (i.e. politicians) can influence their appointments and promotion, via networks of friends and relatives. They can also manipulate such contacts, putting bureaucracy under pressure to help. Later research, however, has doubted the existence of such mechanisms. The centralised and relatively autonomous nature of bureaucracy has been emphasised.

320. Higgins, op. cit., pp. 118-125 gives a pointed description of the operation of this system.

321. Higgins, op. cit., p. 124 suggests this explanation.

322. P. Katzenstein, Small States In World Markets. Ithaca 1985, shows that all the small countries have proportional representation electoral systems. Such systems ensure more or less proportionality, thus allowing many parties to emerge. The British system is contrary to this: the SMP-system: single-member plurality, which favours the largest parties and thus tends to produce single-party majority governments. The claim often made by the British, however, that only such a system secures stability, is easily rejected by looking at for instance Sweden and Austria: both have PR-systems, but also very stable government patterns.


326. Gallagher, op. cit., p. 35.


331. Gallagher, op. cit., p. 32.

332. This is the non-autonomous part of Sozialpartnerschaft, cf. Chapter 9 above. For Austria's strong committee system, see John Lees and Malcolm Shaw, editors, Committees in legislatures: a comparative analysis, Oxford 1979.


335. Cf. the presentation in Chapter 4.2 above.

336. Coleman, "The Demographic Transition in Ireland in International Context", op. cit. The measure of fertility referred to is Total period fertility rate (TFR), which for Ireland in 1987 was 2.34.

337. ibid., p. 26, and Davis, "The Theory of Change and Response in Modern Demographic History", op. cit.


341. ibid. p. 78. In his comparison of Austria and Ireland, Kennedy, "Economic Development and the Entrepreneurial Environment", op. cit., looks at the working population out of total population (Austria: 43 percent, Ireland: 30 percent). The difference reflects a lower unemployment rate in Austria, a higher proportion of persons in the working age population in Austria (more old and/or more young people in Ireland), and finally, a greater participation rate of females in the labour force. Ireland and Austria had OECD's lowest population increase 1913-85 (see also Table 1.6 above). But behind this lie very different patterns: Ireland had a secular decrease of population to 1961, then a very rapid growth in the 1970s. Austria has enjoyed the blessings of a stable population. Ireland had huge migration, and a higher birth rate than Austria. Austria could easily achieve full employment, and had few reasons to fear unemployment if productivity was raised. For Ireland, productivity increases were a mixed blessing.

342. Rottman and O'Connell, op. cit., p. 79. But those emigrating in the 1970s proved to have higher skills than earlier emigrants. We shall discuss this problem further in Part V.

343. ibid. p. 74.

344. Briefly mentioned in Chapter 4 above.


346. ibid. p. 73.


348. Wickham's interpretation exaggerates the distinction with respect to other European countries. It should be emphasised that for U.S. historian Charles S. Maier, who coined the notion of "politics of productivity", the notion was intended as an analysis of Western Europe as such.

349. Rottman and O'Connell, op. cit., p. 73.

350. Breen, Hannan, Rottman & Whelan, op. cit., p. 139. It has not been possible within the present project to pursue more detailed comparisons as to whether reforms were relatively more successful in the contrast countries.
351. ibid. p. 138.
352. ibid. p. 137.
353. Cf. the notion of “Holy Ireland”, discussed earlier.
355. ibid. p. 20.
356. ibid. p. 33.
357. ibid. p. 34.
358. ibid. p. 38.
359. ibid. p. 39 “Even with the development of the corporatist state and the establishment of social partners, farmers have retained privileged access to the bargaining table. And although the issues articulated in national negotiations may reflect primarily the concerns of the larger farmers, the fact remains that the small farmers receive still greater attention than say, the lower working class. In this connection, since the social base of the dominant political party, Fianna Fail has been dominated by the petit bourgeoisie, and particularly the strongly nationalist minded small-holders of Connaught and West Munster, the consistently favourable political treatment of that class — in rural industrialisation policy, income maintenance arrangements, very favourable taxation and social insurance arrangements, etc. — can hardly be unexpected. So both the general cultural and institutional (inter-personality) context of Irish politics and the specific social bases to the dominant political party — could help to explain the relatively biased political treatment of the small-holding class.”