CULTURE, SOCIETY AND ECONOMY IN THE REPUBLIC OF IRELAND

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Summary:

This paper attempts to analyse the politics of cultural, social and economic development in the Republic of Ireland. The main issues examined include the enigmatic character of Irish developmental delay after independence; the economic, social and cultural backwardness of Ireland until the early 1990s; and the deterioration in Irish prospects that occurred in the course of 2008.

Keywords:

Economic development, culture, Irish model, Celtic Tiger

Összefoglalás:

A tanulmányban megkísérlem elemezni az Ír Közstársaság kulturális, társadalmi és gazdasági fejlődési politikáját A tanulmány közzéppontjába az írek függetlenedése utáni gazdasági fejlődés késésének enigmatikus okait állítom, bemutatom Írországnak az 1990-es évekig tartó társadalmi és kulturális elmaradottságát, és az ar fejlődésben 2008-ban bekövetkezett hanyatlást.

Kulcsszavak:

Gazdasági fejlődés, kultúra, ír modell, Kelta Tigris

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It is evident that Irish history is marked by the repeated occurrence of trauma, dispossession, loss and defeat, whether their causes are seen as colonisation, natural disaster, or capitalist expansion. Important aspects of Irish historical experience such as major land dispossession, continuous military occupation, the calamitous famine have shaped a history of trauma. The year 1921 is perceived as a watershed in Irish history, which brought about a radical transformation in political and economic structures. It is hardly conceivable, however, that such transformation could undo the legacies of hundreds of years.

Ireland has achieved a considerable measure of economic development since independence. In the European context, Ireland's rate of progress emerges as mediocre until the 1990s. This mediocre rate of progress cannot be treated without reference to the difficulties lying in the way of Irish economic development. The relatively favourable income position enjoyed by Ireland at independence had not been attained by vigorous economic development but much more by population decline. The inherited structure was ill-adopted to rapid progress in agriculture, given the country's comparative advantage in grass-based livestock production. The only part of Ireland which had experienced an industrial revolution, the north-east, remained part of the United Kingdom, and the manufacturing base in the new state was insignificant apart from food and drink. There was therefore no strong tradition of industrial enterprise on which to build.

The Irish state, which came into existence in 1922, was independent and gradually liberated itself from symbols of the old British connection. British involvement in Ireland began as early as the twelfth century, with the Norman invasion of 1169. With the termination in 1800 of its largely subordinate parliament, Ireland became an integral part of the United Kingdom under the Act of Union. Independence was achieved in 1921, which accorded dominion status to the Irish Free State comprising 26 of the 32 counties of Ireland. The British had left behind a good physical infrastructure, a well-administered civil service machine and an efficient standard of elementary education. The Irish population possessed a political culture which understood democratic politics. On the other hand, British rule had left behind it some evil legacies: Irish towns had some of the worst slums in Europe; the intimidating character of British rule had resulted in bad Irish habits, specifically an unrelenting popular tradition of being against the government. The most far-reaching legacy of British government in Ireland was the relationship that had developed between the Catholic Church and the British State, which gave to the religious organisations the tasks of educating the young, running much of the health system and controlling much of the civic life of the society. The power of the Church was enormous in the arena of public ideological discourse. Ireland, faced with the conditions that related to the decades after independence, made a series of semi-decisions that in the short to medium term were disastrous to the country's development prospects.

Culture has an impact on economic development in different ways. It constitutes a determining background that is conducive to economic practices associated with the development of the industrial economy. Furthermore, culture contributes to economic development in a more direct way, by shaping personality and creating a motivational structure that would be reproduced through the process of socialisation. The system which operated in Ireland up till the 1970s did not encourage the kind of activity which is required to generate and sustain economic development. Status and deference were granted to clergy and professionals, rather than to entrepreneurs and managers, and making money was not perceived as a valuable activity in itself. Cultural orientations in Ireland did not harmonise with the requirements of industrial development that was produced by major economic forces. Education was dominated by humanist as opposed to technological interests. Dominant values did not favour or encourage entrepreneurship. The socio-economic dynamic and the cultural dynamic did not lead to sustainable economic development in the Irish society. They did not coexist harmoniously, but in a state of tension and even contradiction.

A significant deficiency is generally recognised in nationalist Ireland from independence to the 1960s: it never produced an economic base that could help it meet its material aspirations, so that emigration became a defining characteristic of that society. Globally, Ireland was not looked to as a model of successful development and was classed as one of the poorer countries of the European Union up to the early 1990s. The deep recession of the 1980s in Ireland had culminated in a defeatist political and social attitude: the independent Irish state had become an economic laggard over the course of the twentieth century compared to a range of other European states; that was due to the poor quality of governance and the inability of the state to develop coherent policies adequate to developmental challenges.

The transformation of Ireland in the 1990s happened largely through the presence of foreign capital, attracted by a state which had consistently prioritised the needs of the economy over social objectives. Two major forces in Irish policy-making had greatly contributed to Ireland's transformation during the 1990s. The first pertains to a significant development in ideas and policy in the 1980s which involved a new recognition of the link between domestic action and international context. The second major force is identified as negotiated economic and social governance. These two factors enabled Ireland to capture the benefits of a globalised world order. Without an active embrace of globalisation, Ireland could never have been as remarkably successful as it was in attracting very high levels of foreign investment. The values of this new class represent the values of neo-liberal Ireland, an enterprise culture made up of attitudes, values and norms which serve the needs of the market.

As the twentieth century reached its end, Ireland's transformation was an established fact. In terms of economic change, several competing dates may be advanced for the moment when change was set in motion: the foundation of the Industrial Development Authority of 1949, the Whitaker Report of 1958, the entry into the EEC in 1973. The most important factor underlying the Irish economic boom in the 1990s should be associated with a cultural change: a spirit of openness and enthusiasm in embracing globalisation and outside influences; the emergence of an entrepreneurial culture and the adoption of radically new approaches to management and organisation. Values such as individualism, materialism, lack of concern for the environment and a failure of value caring should be identified as characterising social and political life under the Celtic Tiger.

Two opposing understandings of culture can be highlighted to uncover a wider and more demotic meaning of culture under the Celtic Tiger: an elitist understanding which is subservient to economic success and a social understanding which involves a critical evaluation of values and attitudes which characterise the social impact of that economic success. The emergence of capitalism and Ireland's semi-peripheral integration into it have brought to the fore a cultural discourse which prioritises individualism, entrepreneurship, mobility, innovation, both as personal attributes to be cultivated by the individual and dominant social values. These have displaced earlier discourses which highlighted the necessity of national development, national identity, family, and nationalism.

The nationalists of independent Ireland treated economics as the science of immorality and unhappiness. The central preposition of these nationalists was that independence meant prosperity, as long as the leaders of the independent state were patriots. Irish independence resulted from cultural and emotional forces which were not directly connected to rational calculation, but to political culture. Development was something which could be achieved only by public institutions driven not by profit motive, but rather by an ethic of community service. State enterprise looked patriotic, private enterprise looked selfish. This in turn led to an anti-economic, political culture that was fundamentally static and zero-sum in character.

What characterised Ireland after independence was a strong civil society promoting vigorous political means through the building of an economy based on native capabilities and resources to serve the good of society and the creation of an inclusive community to which the majority could owe allegiance.

The Celtic Tiger period was to some degree a story of soft options: the US boom; the structural and cohesion funds; expansionary budgets and relentless increases in foreign borrowing. The reason foreign direct investment had such a powerful effect on growth in Ireland was because the investment, which came mainly from the US, embodied the latest technology and the results of research and development undertaken in Silicon Valley. The Irish did not have to spend money on research and marketing or on creating business strategies. This was all done beforehand in the US. As a result, the rapid growth of the Irish economy did not come from within; it was not organic. The Celtic Tiger boom was too dependent on the so-called foreign direct investment model which marked a dualism between foreign and indigenous companies and this dualism continued to characterise Ireland’s industrial structure, even at the height of the Celtic Tiger.

Vulnerability is used in the social sciences to indentify the ways globalisation influences society. Vulnerability represents the destructive impacts of the consequences of the nineteenth-century experiment when the state imposed the laws of the self-regulating market on society. These vulnerabilities are constitutive features of the Irish development model itself. As a small and open economy very dependent on high levels of inward investment, Ireland has been very vulnerable to changes in the international system and to extensive decline through the out-migration of both people and enterprises. The social vulnerabilities include inequalities in opportunities, increased inequality in earnings and incomes, and expensive and slow progress on some key infrastructural developments. An internationalised economy is only socially acceptable if key aspects of personal and social well-being, such as housing, education, health services, transport, enough income to live with dignity, training and life-long learning are secured for everybody. The vulnerabilities of the Irish economic model arise both from international market pressures and from state inadequacy. Central to the failure of the Irish economic model is a low-tax regime which has weakened the state’s capacity as this has been seen a central means to attract high levels of foreign investment that have been the engine of growth for the economy. The vulnerabilities therefore are not accidental side effects but central structural features of the model. The weak abilities of the state to reduce poverty highlight the vulnerabilities of the Irish political economy, both the generalisation of risk, particularly for those who bear the brunt of poverty, and the erosion of the capacity of the welfare state and its institutions to act as a strong coping mechanism. The Irish economy has grown more vulnerable over the course of the Celtic Tiger both in social mobility and in economic flexibility. The structures of privilege have remained in the Irish society so that the ability of those from more favoured class origins maintain their positions across generations. Thus, the direct inheritance of property and other forms of capital continues to play a significant role and therefore, inequality of opportunity parallels inequality of material conditions.

The year 2008 was a year of rude awakening for the citizens of Ireland. After a decade-and-a-half of high economic growth, the final months of 2008 brought a humiliating collapse. Ireland found itself in the worst position in the European Union in terms of budget deficit. Ireland was the most overheated of all advanced economies. The weaknesses of the Irish development model include the inefficient model of capital accumulation, and the inefficient role played by the state, the inefficient model of social outcomes. Economic growth in the Irish economy did not come from the capabilities developed within the economy but rather was an extension of the success of the US economy since it depended on the growth and innovation generated largely by US multinationals attracted to Ireland. Ireland inverted the normal process of development, instead of generating a wealth-building strategy for the Irish nation, the state simply adapted to the needs of the companies in the global corporate environment. The Irish state gave priority to the maximisation of competitiveness and profitability over the investment in the welfare society. Even though the state remained a central actor in Ireland's development, it has shaped a deeply dualistic economy and a weak welfare state. Even though the increased living standards and improved employment opportunities generated by the Irish model have improved the lives of many people, less attention has been focused on the increases in relative poverty and in inequality that characterised the boom years in Ireland or on the failures to invest adequately in quality social services, especially for the most marginalised.

The severe collapse of the Irish economy in 2008 offers a revealing vantage point from which to view the mainstream explanations of the Celtic Tiger boom. While economists did point to the unsustainable nature of Irish economic growth in the mid-2000s, what is revealing about the dominant reading of Ireland's transformation is its focus on a set of economic principles, which lack any focus on the structure of the Irish economy and how well it served the needs of society. Even though there were great advances made over the period of the boom, they obscured ongoing structural weaknesses that were not sufficiently addressed; foremost among them in the productive sphere was the weakness of the indigenous industry and services, and the continuing heavy reliance on foreign direct investment, whereas in the social sphere it was the weak ability of the Irish economy to distribute higher levels of social spending and foster a more intensive infrastructural upgrading.

The Celtic Tiger model emerged due to Ireland's ability to avail of a more benign international environment, specifically associated with the forces of globalisation. These international forces have since the crisis turned much more negative and challenging for Ireland. The present crisis creates major concerns over globalisation itself as countries respond to the crisis by giving state support to their banks and other sectors of their economies and seem to favour the national over the international. World leaders are forced to follow two directions; intellectually they want to keep trade and investment following but politically they are under pressure to respond to angry and frightened voters who want their jobs and livelihood protected. For a country like Ireland, so dependent on liberal trading and investment, this constitutes a warning signal.

The values of modern Ireland have become the values of neo-liberalism. It has become an enterprise culture made up of attitudes, values and norms which serve the needs of the market, and which are highly promoted by government agencies. These values offer a far weaker principle of social integration as they are functional to the needs of a far smaller percentage of the population. The task for Ireland is to explore ways in which culture could inspire economic and political alternatives and engage with its past to identify resources for reimagining and reinventing a different Ireland of the future.

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