

Before the Celtic Tiger: Change Without Modernisation in Ireland 1959-1989

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Abstract: This paper engages with and expands on a number of themes examined in Tom Garvin's *Preventing the Future*. It asks if it is accurate to describe independent Ireland as poor before 1950, arguing that Ireland became poor in comparative terms only during the 1950s. While agreeing with the view that Ireland changed during the 1960s, the main contention of this article is that modernisation was severely constrained between 1959 and 1989 by the continuing dominance of traditional interests and attitudes. It also argues that Ireland's poor economic performance was a consequence of this continuity as successive governments, privileged property owners and rural interests dominated other sectors of society. It suggests that the importance of culture and continuity in the process of change has often been underestimated and this requires closer attention if specific outcomes are to be explained in a satisfactory fashion.

I INTRODUCTION

In *Preventing the Future* Tom Garvin (2004) has identified features of Irish political life, its policy process and its power structure that inhibited Ireland's economic and social modernisation after 1945. One implication is that once the crisis of the 1950s had been addressed and change generated during the 1960s, the foundations of Ireland's eventual economic success had been established (Bradley, 2000; Foster, 2007; Garvin, 2004, p. 117). Garvin's thinking is too complex to ignore the weakness inherent in the transition to modernity after 1959; he acknowledges that "... by 1987, Ireland, although performance has improved considerably was actually relatively poorer than in 1957". This, however, is not the main focus of his work, which concentrates on

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the emergence of a modernist intellectual elite uneasy with the certainties of de Valera's Ireland and impatient with the pace of change. In this paper, I wish to explore this latter point and argue that while change certainly occurred after 1959, various constraints (social and political) continued to impede Ireland's search for an indigenous model of economic development that would optimise benefits for the economy and society.

II WAS IRELAND POOR?

Garvin asks "Why was Ireland so poor for so long?", yet I suggest that this may be the wrong question to ask. In comparative terms Ireland was not especially poor for most of the 20th century. Bielenberg and O'Mahony (1998) place Irish GDP per head at similar levels to Denmark and Austria and slightly ahead of France and Sweden prior to independence (see also Lee, 1989, p. 514). Clark (1957) confirmed these ratios for the 1930s, while data for 1947 and 1948 confirms Ireland's relatively positive position (United Nations Economic Commission for Europe, 1949, p. 235). Johnson and Kennedy (2003, pp. 455-60) compared Ireland with eleven other European states and calculated that by 1950 Irish GDP was 86 per cent of the average. Ireland may not have been a particularly egalitarian society, but it was not poor in comparative terms. The gap between Ireland and Europe opens up after 1950, when Ireland's relative position falls from 86 per cent in 1950 to 60 per cent by 1973 (Johnson and Kennedy, 2003). Membership of the European Communities does not appear to have brought about convergence for Ireland. As late as 1989 Irish GDP at purchasing power parity shows very little improvement on the 1960 figure (National Economic and Social Council, 1989, p. 117). We can reformulate Garvin's important question and ask why a relatively prosperous and well-placed state failed to make the transition to affluence and full employment after 1950 as proved to be the case with other states in Western Europe. Ireland lost out after 1945 and it took over 30 years for the state and economy to return to the relative position prevailing in 1950. The origins of Ireland's post-war difficulties are to be located in a short-term failure to adapt to the challenges of the post-war world, not in long-term relative poverty.

This short-term failure was to have a long term and devastating impact on the Irish economy and its citizens for over 40 years. Paradoxically, Ireland's success at maintaining its relative prosperity and, the policy mix successfully applied by Fianna Fáil between 1932 and 1945, made it more difficult to change. In contrast to much of Europe, nationalism continued to be employed as a framework for policymaking after 1945. This made the ambitious plans

for integration or inter-dependency less attractive than elsewhere. Although Ireland was a founder member of the Council of Europe, de Valera and Fianna Fáil remained opposed to European integration throughout this period.¹ The most successful economies during the post-war period were those that privileged integration or inter-dependency strategies over nationalist and protectionist ones (Milward, 1984, 464). Because Ireland continued to emphasise protectionism and self-sufficiency, it gained little from the Marshall Plan when compared to other similarly placed small nations (Girvin, 2004, pp. 214-216). There is also little evidence for Raymond's view (1985, p. 312) that "... Marshall Aid played a very significant role in helping the Irish government deal with their under-developed economy". Little was achieved beyond a consumer boom, nor did Irish civil servants or politicians absorb new policy lessons.

Garvin's view (2004, pp. 53-54) that "... on average, the Irish were quicker to wake up to the significance of Europe than the British", is misleading for the 1950s. Indeed, the United Kingdom, along with most European states, was deeply involved in the new institutional system then emerging in Europe. Ireland was never enthusiastic about the OEEC and remained outside NATO, GATT, the EEC and EFTA. Ireland was probably the least integrated state in Europe until the 1960s, with the possible exception of Finland (Girvin, 2008a). Nor did Lemass provide dynamic leadership at first. He remained sceptical of integration and inter-dependency, even after acknowledging the need for free trade. As late as December 1960 (just six months before the Irish government applied to join the EEC) he continued to emphasise the importance of Ireland's economic links with the United Kingdom and was decidedly lukewarm about EFTA or the EEC.² Ireland simply did not have a European policy until the United Kingdom changed its policy and applied for membership. This course of action was unwelcome to Ireland, as the state was ill prepared to pursue its application. Nonetheless, the challenge of Europe was quickly addressed and Ireland subsequently pursued a sophisticated strategy that involved ending protection, negotiating the Anglo Irish Free Trade Agreement in 1965 and eventually full membership of the EC in 1973 (Girvin, 2008a; Murphy, 2003; Fitzgerald, 2000).

Post-war Ireland was characterised by continuity and this was reinforced by political and social stability. Ireland's constitution, its political system and most of its important institutions were products of a complex compromise brokered by de Valera and Fianna Fáil between 1932 and 1948. None of these

¹ University College Dublin Archives (UCDA): De Valera Papers P150/3060, Interview with Len Probst United Press no date but likely to be late 1952 or early 1953 from internal evidence.

² National Archives Department of the Taoiseach (NADT) S. 15281S Report of meeting 27 August 1959; S. 15281W note by Lemass 22 February 1960; S. 16877G Lemass comments during meeting with NFA 20 December 1960.

sources of stability were seriously challenged during the 1960s, despite the changes in elite opinion described by Garvin. Mass opinion, while welcoming new economic opportunities and consumer products, was frequently uneasy with challenges to traditional order and social norms. There may well have been a decline in “rural fundamentalism” (Commins, 1986, pp. 47-69) but rural Ireland possessed considerable political capital to defend its interests in the changing environment. Nor should the continuing influence of the Catholic Church or the political importance of Fianna Fáil be discounted. The process of change is more complex and nuanced than determinist models suggest. In stable societies such as Ireland, tradition and change interact, often in a positive way. A key question is how has tradition affected the process of change in the Irish case. There is a complex interaction between tradition and change in the process of modernisation and an example of the relative strength of tradition is the extent of continuity while change is taking place (O’Carroll, 1991; Girvin, 1994). To see tradition as simply opposition to change is to misunderstand one of the key tensions in liberal democratic societies. While the relationship will differ from society to society, traditional attitudes, values and policies frequently engage dynamically with change and influence to a greater or lesser extent policy debates and outcomes (Eckstein, 1988, pp. 789-804; Lane and Ersson, 2005, pp. 305-323).

I suggest that tradition dynamically frames the changes that occur in Ireland after 1961 and that continuity is the most characteristic feature of politics and society up to 1989 (Girvin, 2008b). There is considerable change between 1961 and 1989 but this is more evident in economic policy and in external relations. These departures were largely directed by an elite committed to change. Despite this, Ireland remained one of the most conservative societies in Europe through out this period and there is widespread popular resistance to the progressive liberalising changes associated with much of Europe (Girvin, 2008c; Harding *et al.*, 1986). Majority opinion was deeply uncomfortable with the consequences of change and mobilised politically during the 1970s and early 1980s to defend their values and way of life. One of the consequences of this is that Ireland modernised in a distinctive and conservative fashion. As a consequence, major constraints had to be removed before Ireland could enjoy the benefits of the changes introduced in the 1960s.

III THE POLITICAL AND SOCIAL CONTRIBUTION TO CONTINUITY

One of the most impressive features of continuity is in the political system (Gallagher, 1981). Minor changes occur, but as McGraw (2008) notes political

parties have proved adaptable to changing circumstances. It is possible that the major political parties have been transformed in all but name, yet this seems unlikely. Persistence is the most appropriate description for Fianna Fáil and Fine Gael. The Labour Party experienced greater changes but has not challenged the dominance of the other two parties. It is notable that the combined vote for Fianna Fáil and Fine Gael between 1959 and 1989 rarely falls below 80 per cent and even when it does, this does not last. Whyte (1974) described Ireland as politics without social bases (see also Sinnott, 1995) and the heterogeneous nature of both parties support base allied to their nation wide appeal reinforces the distinctive nature of the Irish party system. Irish politics is “catch all” (or more accurately, “national”) and this strengthens the cross-class appeal of the two major parties. During the 1980s, between two-thirds and three-quarters of voters in each social category vote for Fianna Fáil and Fine Gael (Sinnott, 1987, p. 70). A study of the 2002 general election (Marsh, *et al.*, 2008, p. 31-39) demonstrates that though overall levels of support has declined, the combined vote for Fianna Fáil and Fine Gael continues to dominate electoral competition. Nor should continuity in party ideology, organisation and socialisation be neglected when assessing the importance of continuity for the political system. In these circumstances, assumptions about politics operate within a well-established and stable environment and this in turn enhances continuity.

Institutions also make a significant contribution to continuity. Despite reforms in some areas, the civil service, the Catholic Church and the educational system reflect continuity rather than dramatic change over the thirty years reviewed here. By their nature, constitutions tend to enhance continuity rather than change and this is evident in the Irish case. The removal of Article 44 and the decision to join the EEC in 1972 hinted at a new flexibility in respect of the Constitution. The Supreme Court also became more innovative during the 1970s. Yet change was much slower than might have been expected.³ The most important change to the Constitution came in 1983 with the ratification of the eight amendment, which added a clause prohibiting abortion (Article 40.3.3). This amendment reflected traditional and conservative opinion, fearful that the Oireachtas or the Supreme Court would permit abortion under some circumstances. Although this amended the Constitution, the intention was to prevent change and to maintain a traditional moral order. Opposition to divorce and to amending articles 2 and 3 of the Constitution also reflect these concerns. Moreover, Supreme Court

³ NA: Attorney Generals Office “Papers from the informal Committee on the Constitution”, 1967; DT: 2004/21/506 “Inter-party Committee on the Implications of Irish Unity-Minutes of meetings” which highlights some of the differences among the political parties on these sensitive issues in the 1970s.

decisions during this period are generally cautious, although the McGee decision in respect of the importation of contraceptives was legally innovative. In the main, the politics of constitutional change reflected the cautious and conservative opinions of the majority until the crisis of the “X” case in the early 1990s provided the grounds for alternative outcomes (Girvin, 2008c).

While recognising these features of continuity, the period under review was not static. Garvin, (2004, p. 207) has argued that opinion was already changing in the late 1950s and that younger cohorts were likely to be more liberal. By the 1970s opinion polls reported increasing support for divorce, contraception and gender equality (Fogarty, Ryan and Lee, 1984) but considerable opposition to change is also evident (Girvin, 2008c). Despite this, change was refracted through the lens of continuity and an awareness of political constraints. When Charles Haughey introduced the Health (Family Planning) Bill in 1978 there was widespread popular opposition.⁴ While the legislation was passed, it is framed in the most conservative form possible. It is arguable that without the Supreme Court decision in the McGee case, legislation might have been impossible.⁵ Lynch also accepted that members of the party who had conscientious objections to the legislation could abstain on the vote and a number did so, an unprecedented decision for Fianna Fáil.⁶ In contrast, the “constitutional crusade” initiated by Garret FitzGerald and the failure to change the prohibition on divorce in 1986 demonstrates the limits to change in political terms, even when majorities claimed in opinion polls they were in favour of change. What these two cases demonstrate is that while change is possible, the extent of change is limited by the continuing influence of traditional opinion in respect of the Constitution, moral issues and political order. The most significant departure by 1989 was the emergence of a new political alignment along the conservative-liberal spectrum, with the conservatives successfully mobilising majorities against change. Thus, democratic politics reinforces a preference for continuity on a range of issues and widespread support for conservative options.

⁴ NADT: 2009/135/194, which contains a wide range of opinion opposed to any form of legislation; tellingly both Brian Lenihan and David Andrews were forced to publicly announce that they had no connection with the Contraception Action Programme.

⁵ NADT: 2008/148/217 for background to legislation and Haughey’s reasoning.

⁶ Department of the Taoiseach, S. 18602B “Health (Family Planning) Bill” Lynch note 4th May 1979. I am grateful to the then Taoiseach Mr Bertie Ahern for permission to consult these files, which are now in the National Archives.

IV WHY DID IRELAND CONTINUE TO PERFORM SO BADLY AFTER 1961?

The early 1960s are clearly important as a departure point, but it is possible to underestimate the level of continuity in political and institutional terms as well as the persistence of traditional values and attitudes. Despite the new economic policy one of the puzzles of the period is how little was achieved by 1989. Despite three distinctive policy regimes between 1945 and 1989 (protection, free trade and EEC membership) the economic and social outcome for Ireland was poor. The most significant socio-economic changes were the decline in agriculture as the primary source of employment and exports and a significant increase in population. Moreover, the state directed considerable investment towards economic development after 1961. Despite this, a NESC report (1989, p. 64) noted that the period "... resulted in almost no increase in the total number of people at work in Ireland".⁷ If success is measured in terms of employment and living standards, from the vantage point of 1989 Ireland's developmental strategy could be considered a failure. GDP per capita remained stubbornly well below that of the European Community average and the labour force was approximately the same size in 1986 as it was in 1961. Only 30,000 net jobs had been created in twenty-five years, while unemployment soared and emigration increased dramatically. The percentage of those at work declined from 37 per cent of the total to 30 per cent over this period. The position in 1981 and throughout the following decade was worse than in the 1960s and not much better than 1958. The Irish labour force was one of the smallest in Europe and emigration rates had reached unprecedented levels (NESC, 1991a, pp. 55, 58).

Another characteristic of continuity is the virtual exclusion of women from the workforce throughout this time. Just under a third of all women worked in 1960. By 1970 this figure had actually declined and the 1960 figure was only regained by 1980. Some 5 per cent of married women worked in 1960 a figure that had increased to 16.7 per cent by 1980. There is a hint of change here but only a hint.⁸ In this respect, Ireland maintains a traditional view of the role of women when compared to other liberal democratic states. While married women as a percentage of the work force increases, this is primarily due to the introduction of equal pay legislation prompted by the EEC rather than to any

⁷ NADT: Department of Finance 2003/20/40 for an optimistic IDA estimate that the economy will produce 50,000 net industrial jobs over a five-year period, 18 May 1971.

⁸ This, despite powerful political support for equality; NA: Department of Labour 2005/141/2 Report on recommendations of the Commission on the Status of Women; 2005/151/33 for departmental attitudes on these questions 1972-76.

indigenous factor (NESC, 1991b, p. 18). Moreover, the tax system penalised married women who worked, reflecting traditional Catholic influence on taxation policy (Van Kersbergen, 1995; Hardiman, 2000). As late as 1991, the effective tax rate for a spouse on average industrial wage whose husband is also working was 39 per cent (whereas the figure was 21 per cent for the husband). The higher the income for the husband the higher the tax rate was for the spouse (see NESC, 1991b, pp. 84-85). Not only did this discriminate against women but it also excluded valuable resources from the labour force. In contrast with most of Northern Europe, where there is a marked shift towards gender equality after 1960, this process was much delayed in the Irish case. In addition, while Ireland achieved fairly high growth rates during this period, these were never translated into job rich growth comparable to other small European states. (Tansey, 1998, pp. 33-50; Nolan, O'Connell and Whelan, 2000.)

Therefore, despite considerable policy change between 1959 and 1989, Ireland never achieved the levels of growth or output required to create a full employment economy, nor the affluent societies that had been developed in northern Europe. If full employment is defined as a situation where the economy can absorb the unemployed, end involuntary emigration and attract previously excluded groups into the workforce (particularly women) Ireland had not achieved this before the mid-1990s. Ireland remained a traditional zero-sum society with all groups and individuals in competition for relatively scarce resources (NIEC, 1967, p. 28; Fitzgerald and Girvin, 2000, pp. 273-280). There was continuing and widespread opposition throughout the 1970s to married women working on the grounds that jobs should be preserved for single women and married men. These views reflected concerns at the availability of employment and support for a male breadwinner model of the labour force.⁹

V THE ECONOMIC CONSEQUENCES OF TRADITIONAL CONSTRAINTS

Continuity was also reinforced by the social consequences of economic modernisation or at least the form it took from the 1960s to the 1980s. While it is difficult to prove a causal relationship between culture and economic

⁹ NADT: 2009/135/111 for Taoiseach's correspondence on gender equality and the employment of women in 1976; Members of the Irish Countrywomen's Association broadly supported the findings of the Commission on the Status of Women but the strongest objection was to married women working, National Library of Ireland: MS 39,866/4 for reply to a survey on women's issues, March-April 1974.

success and failure, it is certainly arguable that the dominant values in a society can constrain as well as facilitate various policy options (Fitzgerald and Girvin, 2000). If Ireland did not “get it right” before the 1990s was this inevitable or was it because of the constraints that continuity imposed? Continuity enhances existing power relations and the nature of Ireland’s developmental strategy actually increased the influence of existing interest groups, such as farmers. The twin pillars of this strategy were EEC membership and Foreign Direct Investment (FDI). While Lemass had welcomed both, he also believed that Ireland required a dynamic indigenous sector to achieve his ambitious objectives. The subsequent failure of indigenous Irish industry led Lynch and his successors to focus policy exclusively on the EEC and FDI and to abandon state planning or direction of the economy. Consequently, Irish economic development was externalised after 1966, reducing the importance of indigenous sources of growth and limiting the role of the state to gatekeeper for foreign investment and the EEC.¹⁰ Despite impressive growth rates during the 1970s and 1980s, FDI and EEC membership never produced the means for full employment and prosperity. Indeed, O’Sullivan (1993, pp. 193-195) warned that “... undue reliance on foreign capital inflows only prolongs economic dependence”. Furthermore, FDI and the EEC were conservative options for Irish governments, as distributional conflicts could be avoided on issues such as taxation, welfare and redistribution. One of the consequences was enhanced influence by farmers, the self-employed and the professional classes. Another was the relative weakness of trade unions, the working class and the urban poor. The decision to locate new industry outside traditional urban areas reflected political concerns on the part of Fianna Fáil that rural voters would punish the party if they did not share in the incoming investment (Industrial Development Authority, 1970; 1979, pp. 5-6; O’Malley, 1992, pp. 42-43).¹¹ A further consequence of these decisions was the collapse of industrial employment in urban areas. This was compounded by a rise in the cost of living due to the EEC’s high cost food policy, the Common Agricultural Policy and increased taxation for PAYE workers. These disadvantages were reinforced by low levels of social mobility among the Irish working class, even when compared to the English working class experiencing the impact of

¹⁰ NADF: 2001/3/1615 for decision to reorganise the IDA in 1968-69; DF. 2008/148/209 for debate on defence of Export Tax Relief.

¹¹ NADT: S. 11987E/61 for Brian Lenihan’s correspondence with Lemass where he recommends higher grants to attract industry to rural Ireland and expresses concern at the possible political consequences of the new prosperity not being shared. The same file contains correspondence from various parts of Ireland complaining that specific areas are not benefiting from industrial location and employment; see also DT. 96/6/682 for later correspondence on the same theme.

Thatcherism (Breen and Whelan, 1992, pp. 145-148). Nor did educational reforms in the 1960s provide improved life opportunities for the Irish working class, as most of the benefits went to other classes (Whelan and Hannan, 1998). The pessimistic conclusion of Hannan and Commins (1992, pp. 80-81) that "... working class families have generally failed to acquire their proportionate share of the new opportunities emerging with industrialisation" suggests that in the struggle for resources in a zero-sum society, privileged groups were overwhelmingly successful.

The main beneficiaries of these new economic opportunities have been farmers, property owners generally and the professional middle class. These groups adopted successful political strategies to maintain their income and influence. These are also the groups who experience less unemployment, are more likely to send their children to third level education and to be taxed less than other sectors of Irish society. Educational and industrial policy has benefited landholders in rural Ireland and provided them with the means to maintain power and influence despite the decline in agriculture. Hannan and Commins calculated (1992, pp. 87-90) that while the agricultural labour force had declined to 14 per cent some 25 per cent of households still owned land. For a substantial proportion of farms, income comes primarily from subsidies and off-farm employment either by the landholder or a spouse. Two processes are at work here; transfers and subsidies to small and medium-sized farmers and the availability of off-farm employment provide a mechanism by which these households maintain an income while remaining on the farm. In turn, the traditional conservative culture associated with rural Ireland was in a position to maintain itself and influence the form that modernisation takes.

Ireland was a property owning democracy at independence and this influenced and constrained the policy choices available to successive Irish governments (Carey, 2007, pp. 129-130; Fahey, 1998). As late as 1961, farmers, employers and the self-employed accounted for over 40 per cent of the labour force. While Ireland's social structure changed over the next three decades, these groups continued to wield considerable influence despite the decline in the agricultural population (Rottman and O'Connell, 1982). Property owning is a central feature of this social block, nor did property owning lose its significance during the modernisation period. It has however taken on a different focus. The percentage of those who earn their living from property declined after 1961, but home ownership has been enhanced and extended since then. In 1961, some 59.8 per cent of dwellings were owner occupied (including tenant purchase) and 35.6 per cent were rented, by 1981 the figures were 76 per cent and 24 per cent respectively. Even more significant, some 40 per cent of total dwellings had neither a loan nor a mortgage outstanding; a significant capital asset for those in possession (calculated from Government

of Ireland, 1966; 1991). Thus the property owning nature of Irish society, already well established after independence, is reinforced during the first thirty years of industrialisation. This also has political consequences in terms of mortgage relief, taxation and welfare policy. The priority of a nation of homeowners will be different from one where the majority do not own their home or obtain an income from it. The importance of property owning and the pervasiveness of home ownership reinforce continuity and stability in Ireland rather than promoting change. It also inhibits mobility and ties up considerable resources in what can be considered unproductive capital. The effective interest mobilisation of farmers and the expansion of home ownership also help to maintain continuity in the public sphere and in policy-making.

VI THE ROLE OF FARMERS

The argument here is not that there is a single propertied voice politically, but to suggest that the social bias in policy, legislation and constitutional decision-making reflects this powerful influence. The most successful interest group in this respect is the farming sector, which has consistently persuaded government and public opinion that the interests of agriculture were equivalent to the national interest. Farmers have been well-organised and effective lobbyists since the 1960s, but their success is also due to the congruence between farmers, the land and normative assumptions contained in the Constitution.¹² If the values of land and rural life take priority in the Irish worldview, governments have also taken decisions to give priority to these interests. Rural industrialisation, the high cost food policy of the EEC and the Common Agricultural Policy have been accepted uncritically by Fianna Fáil and Fine Gael since the 1960s, even though the cost of such policies have been high for other sections of Irish society. This is a political choice to defend a specific interest and opposition is often characterised as unpatriotic.¹³ In addition, farmers were relieved of various forms of taxation including inheritance tax, while their effective opposition to a wealth tax led to its removal by Fianna Fáil in 1978.¹⁴ The Irish Farmers Association (IFA)

¹² NADT: S.17032A/61 for Lemass correspondence on rural issues in 1961; NA: Lynch Papers, 1195/7/6 for internal correspondence for meeting with farm organisations in February 1973; DT: S11563B/61 and C/62 traces the farmer campaign to be compensated for low standard of living 1961-62.

¹³ University College, Cork: Keery Papers, Box 29 for speeches on farming issues during the referendum campaign on EEC, April 1972.

¹⁴ NADF: 2005/9/142, for meeting with farm organisations on taxation of farm profits 29 April 1974.

had welcomed proposals to abolish inheritance tax but opposed any replacement with a wealth tax. Moreover, mobilisation by farmers against the tax led to a significant decline in farmer support for Fine Gael in the 1977 general election (Sinnott, 1987, p. 70). The wealth tax had been intended by the Fine Gael/Labour Coalition to replace the existing death and estate duties and to be mildly redistributive. FitzGerald's (1991, p. 300) discussion of the wealth tax in his memoirs is revealing and concentrates on opposition by the Department of Finance and its abolition by Fianna Fáil. He describes the "... most unscrupulous campaign by some among the wealthy people opposed to it" but does not discuss the key role of the farming lobby in undermining the policy. Nor does he refer to the collapse of the Fine Gael vote among wealthy farmers at the election.

When Fianna Fáil introduced a 2 per cent levy on farm sales in 1979, the opposition was so intense that the government eventually abandoned it (Lee, 1989, pp. 491-492).¹⁵ Likewise, a resource tax introduced in 1980 was quickly dropped in the face of farmer opposition. These cases are all the more revealing as opposition to the levy by farmers provoked an extensive counter-mobilisation in favour of tax reform by the PAYE sector. The massive marches organised by the trade union movement in 1979 and 1980 appeared to herald a new urban politics, but were quickly defused by the promise of a Commission on Taxation. If influence is measured by who pays and who gains, then farmers were paying two-thirds less tax by the mid-1980s when compared to the 1970s but were also benefiting from considerable subsidies and transfers. The PAYE sector exercised little real influence over government and the burden of taxation was borne by them (Hardiman, 2000; Hannan and Commins, 1992).

Farmer influence can also be measured through the alacrity with which both Fianna Fáil and Fine Gael represented Irish farming in Europe (Hardiman, 1988, p. 207). A case in point is the so-called super levy on milk production, which was a response by the EEC to over production and rising costs. Successive Irish governments opposed CAP reform and endorsed the IFA claim that the national interest was equivalent to the interests of farmers.¹⁶ From the outset, the Irish government opposed the proposals with all its diplomatic resources (FitzGerald, 1991). These efforts led to the derogation by Ireland from the reforms in 1984. According to Austin Deasy, the Minister for Agriculture, the government organised an "unprecedented

¹⁵ Background details can be found at NADT: 2009/135/375; some of the assumptions are discussed in DT: 2009/135/310.

¹⁶ The internal discussion on EEC enlargement and what Ireland needed to protect can be located in NADT: 2009/135/649 and DFA: 2009/121/10.

campaign” against the levy. He emphasised, “We refused to go along with this agreement and continued to maintain our demand for special treatment”. Deasy also argued that the country “... had a vital and essential national interest in the milk sector and we made that clear. We also had a vital interest in the survival of the CAP and that is what was at stake this year”. The Minister for Agriculture and the Taoiseach accepted uncritically the position of the farmers but also insisted that “... most people outside of agriculture saw it as having serious repercussions for the whole country” (Parliamentary Debates Dáil Eireann, 1984). FitzGerald (1991, p. 581) engaged in a “high profile campaign” in opposition to the levy and against the advice of the Irish diplomatic service. He visited every other EC state to persuade them to support special treatment for Irish milk producers. When this did not achieve its objective, FitzGerald walked out of the European Summit attempting to reach agreement on the issue (FitzGerald, 1992, pp. 583-586). All this effort bore fruit and Ireland was the only state to increase its milk quota under the new arrangements. Fine Gael deputies in the Dáil welcomed this outcome rapturously, though Fianna Fáil criticised the government for not achieving more for farmers. Only Proinsias De Rossa of the Workers’ Party criticised this consensus, complaining that the state had used substantial political and diplomatic resources to support a special interest. He pointed out that the number of unemployed in Ireland was greater than the number of those engaged in agriculture and complained that only three deputies appeared in the Dáil to debate the Social Welfare Bill the previous week. De Rossa’s contention that the farming lobby had undue influence over the state, the Oireachtas and the media was indirectly sustained by the intervention of the Fianna Fáil TD Michael Noonan, who claimed that the trade off in respect of EEC membership in 1973 was employment loss in Irish industry against gains for the farming sector. The implication here and elsewhere was that this was a reasonable outcome and one that should be maintained indefinitely if necessary (Parliamentary Debates Dáil Eireann, 1984).

The Coalition Government led by FitzGerald (1991, p. 454) sustained these priorities and also accepted the IFA position that centralised bargaining with trade unions should be ended. The IFA had persistently criticised centralised wage bargaining on the grounds that the Irish Congress of Trade Unions was able to use this as a means to advance working class interests against those of farmers. FitzGerald noted in his memoirs “... the only personal recollection I have of a genuine worthwhile discussion with the unions is of an encounter between the ICTU and the Fine Gael Ministers that took place in our party office”, an indication of the institutional weakness of the unions even when the Labour Party was in government. This weakness is also reflected in ICTU’s failure to achieve reform on the taxation issue, despite

a major report in 1982 (Hardiman, 2000; First Report of the Commission on Taxation, 1982). Recent research (Murphy and Hogan, 2008) suggests that even when ICTU was included in centralised bargaining, this did not reflect power or influence but was due to the government's political requirements. The ease with which Fine Gael excluded ICTU after 1981 from the decision-making process, sustains the more general point that the trade union movement had less power and influence in the Irish political systems than the farming organisations.

The successful position achieved by farmers in Irish society and in political consciousness illustrates a more general issue of what occurs during times of change. Privileged groups develop sophisticated strategies to defend existing interests and avail of new opportunities (Whelan and Hannan, 1998). One of the most successful adaptive strategies in Ireland has been access to education. Educational changes in the 1960s provided employers, the propertied classes and middle classes with additional resources to avail of new employment opportunities "and to a degree, maintain class privilege" (Girvin, 1994; Whelan and Hannan, 1998, p. 2). Farmers and the middle classes benefit disproportionately from access to third level education. Fully a third of school leavers from farming families went on to university in the 1988-1989 cycle, whereas the figures for skilled manual workers was nineteen per cent and 11 per cent for semi- and unskilled workers (Hannan and Commins, 1992, p. 94). What is notable about this phase of Irish modernisation is the extent to which the existing privileged groups were able to successfully defend their interests during a time of change. Indeed, it might be argued that these groups enhanced their position in the competition for resources by using their already privileged access to power. One result is the limited evidence for social mobility; another is the failure to achieve sustained economic development before the 1990s (Breen and Whelan, 1992).

VII CONCLUSION

The task of this paper has been to argue that the 1960s does not constitute a dramatic break with the past, as is sometimes suggested. While it is possible to identify the origins of contemporary Ireland and the Celtic Tiger in that period, continuity is the most salient feature of the thirty years that followed de Valera's retirement. The evidence discussed suggests that there were powerful forces of continuity in Ireland and that their influence constrained the policy options available to successive governments. Zero sum assumptions about the economy and traditional moral attitudes weakened the modernisation process until the 1990s. The success of the period since the

1990s suggests that European Union membership and FDI are not enough for economic success. The contention here is that the nature of the indigenous political culture also has to change to provide the conditions where success can be achieved and sustained.

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