The Roman Catholic Church and Economic Growth in Nineteenth Century Ireland

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Précis: It has been claimed in both historical and contemporary writings that the activities of the Roman Catholic Church inhibited Economic Development in nineteenth-century Ireland. One specific line of reasoning has been that the Roman Catholic Church, by depriving the Irish economy of substantial flows of physical and human capital, thereby reduced the rate of economic growth. In this article the logical, theoretical, and empirical bases of such claims are challenged. A further cluster of arguments — that the character structure associated with Irish Catholicism is inimical to economic progress — is also rejected. It is concluded that the role of the church in the context of Irish economic development has been a positive one.

1 INTRODUCTION

Interaction between the religious and the economic spheres has long excited the interest of historians and sociologists. The modern form of the debate is most notably linked to the works of Weber (1930) and Tawney (1926). It is not often appreciated, however, that Ireland, a land pulsating with

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religious energies, produced contributions which in part anticipate these modern masters. Largely hostile comment on the role of the Roman Catholic religion in Irish economic life is contained in Kenny (1906). In a similar polemical vein one might note the lecture of the Rev. J. E. Moffatt to the Dublin Grand Orange Lodge, as reported in the Irish Times (8 June, 1910). Here differential economic growth as between countries is explained in terms of differences in religious principles. A consciousness of these issues is also apparent in the pamphlet literature; note, for instance, Jennings (1865) and "An Irishman" (1886). However, the most developed contributions stem from the famous exchange between the reforming Unionist, Sir Horace Plunkett (1904), and the Roman Catholic writer, the Rev. M. O'Riordan (1906). Plunkett acquired his considerable experience of economic conditions in Ireland through his work as a member of the Congested Districts Board, as an active propagandist for rural co-operatives and as a first vice-president of the Department of Agriculture and Technical Instruction. Observing a lack of economic progress in Ireland and, more generally, different rates of economic growth as between Protestant and Catholic countries, he criticised in firm, though disinterested, terms some implications of the Catholic religion for economic life (Plunkett, 1904, pp. 101-102):

Roman Catholicism strikes an outsider as being in some of its tendencies non-economic, if not actually anti-economic. . . I am simply adverting to what has appeared to me, in the course of my experience in Ireland, to be a defect in the industrial character of Roman Catholics which, however caused, seems to me to have been intensified by their religion. The reliance of that religion on authority, its repression of individuality, and its complete shifting of what I may call the moral centre of gravity to a future existence — to mention no other characteristics — appear to me calculated, unless supplemented by other influences, to check the growth of the qualities of initiative and self-reliance, especially amongst a people whose lack of education unfits them for resisting the influence of what may present itself to such minds as a kind of fatalism with resignation as its paramount virtue.

Needless to say, Plunkett's strictures drew the full wrath of a church hyper-sensitive to critical comment. Soon after its appearance, Ireland in the New Century was accorded the distinction of a special pastoral denunciation by the Archbishop of Armagh, Cardinal Logue (see report in Freeman's Journal, 7 March, 1904). The Rev. M. O'Riordan reviewed it unfavourably in the Dublin paper, the Leader, during the course of a year, his literary exertions later emerging in book form as Catholicity and Progress in Ireland. Plunkett, in an epilogue to a cheap edition of his book in 1905, commented with a touch of humour that "a review is usually a chapter about a book", but in this case it "assumes the proportions of a book about a chapter".
In his lengthy and sometimes testy rejoinder, O'Riordan reiterates the traditional nationalist interpretation of the sources of Ireland's economic ills — unfavourable legislation by an alien parliament, deliberate suppression of native industries, and tenurial insecurity and rack-renting in agriculture. (These nationalist assertions embodied more political than economic logic; recent research into Irish history has largely dislodged the cruder traditional orthodoxies.)

II LARKIN'S CONTRIBUTION TO THE ISSUE

Despite the importance of the issue, a comparative quiet settled over debate on the relevance of religion as an explanatory variable for Irish underdevelopment — that is, until Emmet Larkin (1967) ventured a modern contribution. The latter's approach to this sensitive topic is bold, sometimes brilliant. The orientation is especially interesting in that it focuses on the Irish Church as a complex of economic institutions, absorbing and deploying economic resources. By contrast, Weber, Tawney, and Plunkett concentrated on moral and psychological variables and the resulting character structure associated with membership of a particular religious group. While analytically distinct, the two approaches are not mutually exclusive and in his concluding comments Professor Larkin briefly mentions some of the extra-economic variables. In constructing his case, Professor Larkin places special weight on a set of pioneering calculations which suggest that in the second half of the nineteenth century the Irish Church absorbed almost 15 per cent of the surplus available over subsistence for the Catholic population. While

1. This article has been reproduced, without change, in a collection of previously published papers, entitled The Historical Dimensions of Irish Catholicism (Larkin, 1976). In a foreword to these reprints, Professor Larkin, while still claiming some validity for his national income and other estimates, indicates that he now sees the Church as making a positive contribution to the Irish economy. This brief recantation is to be welcomed. However, a detailed and more general critique of both his original contribution and that of other writers is required.

2. In terms of this emphasis on the importance of an industrial character, Plunkett was influenced in part by the eminent historian, W. E. H. Lecky (see Plunkett (1910, p. 44) and Lecky (1916, pp. 504—505, 516)). Although it was for him a sub-theme, Plunkett did in fact comment on the functioning of the Catholic Church as a specifically economic institution. To this extent, his discussion may be said to span the two approaches to the church-economy debate: "Excessive and extravagant church-building in the heart and at the expense of poor communities is a recent and notorious example of . . . misdirected zeal" (Plunkett, 1904, p. 107).

3. Larkin (1967, p. 874) believes the retarding influence of the Irish Church was most pronounced in the second half of the 19th century. Plunkett (1904, pp. 101—108) also places his main emphasis on the role of the Church in this half-century. If, therefore, it can be shown that this is an untenable position, then the case for a negative relationship between the Church and the economy in earlier periods is greatly weakened.
credit should be accorded for this early foray into quantification, the extremely crude nature of the calculations must be recognised. The income estimates are of a very approximate nature, being derived under rather heroic assumptions from the British national income estimates provided by Deane and Cole (1962), while the further assumption that the Catholic proportion of national income remained roughly constant during the 19th century is highly controversial, to say the very least. A spot check on these estimates is possible by contrasting Larkin’s estimate of agricultural income in 1901 with the official calculation of income from Irish agricultural output in 1908. The Department of Agriculture and Technical Instruction (Ireland) arrived at a level of £46 million for 1908, while Larkin suggests the much lower level of £31 million for 1901 or less than a decade earlier. (The methods used by the Department in collecting its information are not above criticism — these methods and a detailed breakdown of the volume and value of the various components of agricultural output are contained in a pamphlet issued by the Department in 1912, entitled “The Agricultural Output of Ireland 1908” — but certainly they command much more authority than guess-estimates based on British data.) Having noted the large discrepancy between the two estimates, that of the Department being some 50 per cent higher than Larkin’s, it should be added that the gap cannot be appreciably closed by appeal to rapid growth in agricultural incomes over the short interval between 1901 and 1908. In fact, the volume of agricultural output showed little change while some, but not all, product prices registered a gradual increase. Thus, agricultural incomes can only have experienced modest growth in this interval. A further damaging check is afforded by Professor Cullen’s recent and more firmly based calculation that Irish national income was in the region of £150 million in 1911 (Cullen, 1976). This is in sharp contrast with Larkin’s estimate of £82 million for 1901, and again implies that the Church burden has been greatly overstated.

Even more important, perhaps, than casting doubt on Larkin’s pioneering set of figures for Irish national and agricultural incomes is consideration of the basic methodology employed. Developing such aggregates from the rather arbitrary partitioning of British totals, while ingenious, would seem to be a rather barren exercise (as our checks suggest). This is particularly unacceptable for the turn of the century when an alternative approach — at once sounder and more obvious — is available. It is possible to exploit the data on the volume and value of industrial and other production unearthed by the 1907 census of production (allied to the 1908 agricultural census) as a basis for some approximate calculations of national and sectoral incomes around 1900. It becomes more difficult to apply this procedure as one moves backwards in time through the 19th century, but for agriculture, for instance, there are extensive data on output and prices back to the middle
of that century. Estimates of output and prices for some other industries are also possible. Without attempting to minimise the difficulties or the data scarcity, it may be suggested that solid progress in illuminating the major areas of statistical darkness in Irish history will depend on work along these lines. By comparison, refining conjectures based on what are rough estimates of national and sectoral incomes for the neighbouring island appears to be largely unproductive.

Because one can place little, if any, confidence in either the method underlying Larkin’s calculations or the actual results, it might even be suggested that the contribution be dismissed *ab initio* or else judgement suspended until more reliable estimates become available. Such responses, however, are less than fruitful. The degree of error associated with Larkin’s calculations is a subsidiary issue. Given the striking progress of the Catholic Church in the 19th century, its revenue needs must have been considerable, even if, as seems probable, the burden has been exaggerated. So, casting doubt on a particular set of estimates is merely to clear the way for a fresh crop. It does not necessarily undermine the logical structure and, hence, the partial validity of this particular approach. A more general refutation is required.

The core of the Larkin thesis is the contention that the Irish Church, in siphoning off a large proportion of the nation’s potential savings and committing these to unproductive enterprise, inhibited economic development. It is certainly true that the Church’s acquisition and use of economic resources had an opportunity cost in terms of benefits foregone in not producing different outputs. Such different outputs might have extended from consumer goods only at one extreme through various combinations of producer and consumer goods to producer goods only at the other extreme of the production possibility frontier. Maximising economic growth opportunities would have involved concentration on the latter end of the range. In the short term it is also possible to envisage a situation in which, in the absence of the Church, total expenditure in the economy would have been at a higher level than was historically the case. Such a shift in aggregate demand, if realised, could have a cumulative result, the initial spending impulse giving rise to additional income effects in the economy at large.

To sustain the argument that the Church’s expenditure programmes depressed national income, the following proposition must be established: in the absence of such claims on resources, conditions favourable to productive investment in Ireland would have obtained and funds released would have fructified in native enterprises. In relation to the shorter-term possibility raised above, if this is to possess any weight, then one needs to show that increased effective demand would have had a strong multiplier effect on other sectors of the economy. However, in the case as presented by Larkin, there is a crucial rupture in the logical structure; the very conditions that
need to be demonstrated are implicitly assumed. Despite this, it may be that Larkin, while overlooking essential elements in the exposition, has none the less arrived at a historically plausible set of conclusions. How probable is the counter-factual scenario, necessarily implied by his argument? Taking the investment conditions first, there is no reason to believe that a shortage of capital at the aggregate level was a serious growth constraint. One useful indicator of the expansion of the savings base of the economy is the development of banking services between 1851 and 1891. In 1851 there was, on average, only one banking office for every 37,600 persons; by 1891 this ratio had improved to one office per 8,200 persons. A more precise indicator is the level of deposits in the three main savings institutions—joint stock banks, trustee savings banks, and (from 1861 onwards) post office savings banks. Combined deposits rose from £9.6 million in 1850 to £34 million in 1880, reaching a level of £54 million in 1900 (Departmental Committee on Agricultural Credit in Ireland, 1914, pp. 21 and 39). It is clear from these totals that the savings capacity of the nation was quite substantial and that savings maintained a strong upward movement over the half century.4

In rural Ireland capital shortage does not appear to have constituted a severe constraint on agricultural development. The rapid expansion of livestock numbers during and after the Great Famine as market conditions favoured such investment furnishes a strong contrary pointer. The total cattle population, representing the largest single item of capital expenditure on Irish farms, increased from 1.84 million in 1841 to just under 3 million in 1851. This investment continued throughout the century, although not at such remarkable speed, a figure of 4.7 million being reached in 1901 (Crotty, 1966). In the final decade of the century, when processing in the dairying industry was being organised along factory lines, the rural community underwrote a large proportion of this. Thus, if one examines the farmer-controlled co-operative creamery movement, one finds that from a humble beginning of one co-operative creamery in 1889, fifteen years later over 200 creameries had been built with a combined share capital in excess of £100,000 (Irish Agricultural Organisation Society, 1905). Lack of profitable investment opportunities, a low level of entrepreneurial skills, and a poorly functioning land market are more probable explanations for the relatively poor performance of Irish agriculture in the second half of the 19th century. Somewhat different considerations apply to the areas outside the commercial farming districts. On the tiny and mainly impoverished holdings in the west of Ireland the abolition of rent, not to mention church dues, would

4. A perceptive contemporary discussion of capital availability is that by the economist, W. Neilson Hancock. Hancock (1863) drew attention to increased investment in railways, large holdings of Government stock in Irish hands, and increased deposits in joint stock banks. Note also Hancock (1849–51).
have made little difference to the material welfare of the people. As one official inquiry reported,

With respect to the very small holders in the western districts of Ireland we are satisfied that with the slightest failure of their crops they would be unable to exist upon the produce of their farms, even if they paid no rent (Royal Commission on the Depressed Condition of the Agricultural Interest, 1881, p. 7.)

More than twenty years later, seven out of every eight holdings in those areas of the West officially designated as congested were considered uneconomic (Royal Commission on Congestion in Ireland: Final Report, 1908, p. 744). So, the simple truth was, given the slender economic resources of these areas and the disproportionately large population, only massive labour flows from these regions could have effected a substantial rise in the standard of living of those who might remain. Regarding a possible lack of capital for the development of rural industries — though one should make clear in advance that the developmental potential of such industry was slight — the conclusions of the Departmental Committee on Agricultural Credit (1914, p. 333) are persuasive: “There are ample funds on deposit in the Irish Joint Stock Banks for the development of rural industries, if means were only found of creating an industrial atmosphere, and attracting to an increased extent the confidence of the investor and of the Banks.”

Through the economy as a whole, risk aversion rather than capital shortage emerges as the more important feature of investment behaviour, a frequently cited illustration of this being the reluctance of Irish investors to commit their capital to Irish railway ventures until an inflow of English capital had first reassured them of the profit possibilities (Lee, 1969).

An examination of Larkin’s own evidence on important Church revenue sources — charitable bequests and legacies — sharpens one’s doubts that much of this wealth, even if urgently required, would have found its way into productive activity in Ireland (Larkin, 1967, pp. 862–868). Religiously inclined old ladies and other pious members of the laity, as well as some clergy, are not the most obvious sources of risk capital. In the absence of institutions (banking, industrial and agricultural development agencies) specifically geared to native development and given the lack of control of capital movements between different regions of the United Kingdom economy, it is highly improbable that the funds abstracted by the Church were deflected from fulfilling a major investment role. The net outflow of money capital from Ireland in the last quarter of the 19th century (Cullen, 1972, p. 169) removes any lingering doubt that availability of capital represented a serious limit on growth. (It is true, but in a quite different sense, that lack of capital was responsible for poor economic progress. To the extent that large amounts of physical capital were not combined with labour,
put and output per head in Ireland remained low. By contrast, an early industrialising power, such as England, made rapid economic advances, not because it also had an investable surplus, but because this was translated into capital structures. In the latter sense capital availability is at the centre of any explanation of modern economic growth or its retardation.)

What of the further, less significant possibility that the revenue extracted might have been expended on certain goods and services, the effect of which would have been to stimulate other sectors of the economy? A subsidiary point may be made first. The far-flung Irish net-works in Australia and America were a useful source of funds as both Larkin (1967) and O'Riordan (1906) mention. Thus, lay purchasing power was not automatically depressed to the extent that Church receipts initially suggest. More importantly, though, one must locate the probable outlets for increased lay purchasing power in a situation where the laity has been released from its financial obligations to the Church. What are the likely implications for expenditure patterns and effective demand in such a hypothetical context? For a strong impact on the rest of the economy, spending should be concentrated on commodities produced within Ireland with a low, preferably zero, import component embodied in them. In addition, the tendency to consume additional units of income should be high. In other words, leakages from the economy — in the form of a high level of savings transmitted abroad, rather than used in Ireland, or in the form of spending on imports — should not be especially marked. We have already noted that the first of these provisos is violated by historical experience. Savings levels were high and, because of the nature of existing financial institutions, tended to be conveyed from a peripheral region such as Ireland into the heart of the United Kingdom economy. In relation to the second factor, it is known that a high propensity to import was a feature of Irish trade (Cullen, 1972), thus further dampening the wider impact of any initial stimulus. Indeed, in view of these two considerations, it is possible to advance a diametrically opposed line of argument. The Church was itself a major consumer of goods and services. It had strong linkages to enterprises in the local economic context. By raising the level of domestic demand for such services as building and maintenance services, as well as requiring steady supplies of food and food products — outputs which, on the whole, could only be provided by native industries — it is quite probable that the Church contributed to economic growth rather than the reverse. A further point in relation to spending patterns may be added. The calculation that the funding of Church activity absorbed almost 15 per cent of the income surplus has no special economic significance; unless it can be shown that the associated pattern of expenditure has a definitely anti-growth character, it is little more than an interesting artefact. One might just as meaningfully calculate a similar type ratio for other forms of consumer
spending, such as drink consumption, for instance, and claim that this implied a wasteful deployment of resources from the viewpoint of economic growth. O’Riordan (1906, p. 30), when rejecting contemporary charges of excessive Church expenditure, did in fact claim that the burden occasioned by the national drink bill — about £13 million per annum when he wrote — was more worthy of critical attention. Presumably there were further differing notions of national waste among other contemporaries! Such exercises, however, are more immediately relevant to value-loaded interpretations of the composition of national output rather than the issue of growth as such.

III THE ROLE OF THE CLERGY

We have considered the implications of the Church’s claims on physical resources. To fully round off this treatment, it is necessary to explore the probable implications of its claims on human resources. It has been suggested, for instance, that the absorption by the Church of a large body of entrepreneurial talent had further serious consequences for economic growth. While this point may possess some validity, it must be firmly recognised that a clerical career was but one of a number of attractive outlets opening up to the Catholic urban and rural middle-classes. The pressure for places in such professions as law and medicine seems to indicate that a block to social mobility in the ecclesiastical sphere would merely have increased pressure at other outlets which are not immediately associated with economic enterprise. One traveller in Ireland (“A Guardian of the Poor”, 1892, p. 53) claimed that the Ulster peasant always tried to make one of his sons a lawyer; another observer (Dowling, 1901, p. 21) commented: “The son of the farmer wants to get away from the farm; the son of the merchant wants to be a doctor or lawyer; the same holds in their own way of the girls.” Anderson (1935, p. 277), in the course of a glancing reference to social aspirations, suggests that “great ambitions” took the form of wanting to make a priest or a doctor out of a son. Other contemporary comment, broadly conforming to this pattern, on career preferences and the status associated with particular occupations may be noted (Plunkett, 1904; The Irish Peasant, 10 March, 1906; Departmental Committee on Agricultural Credit, 1914, p. 79; and Guinan, 1941, pp. 199–200). Plunkett (1904, p. 265), for instance, complained, with considerable justification, that the educational system did not serve the needs of a developing economy but, in line with parental aspirations, was geared rather to the “multiplication of clerks and professional men”. The point is echoed by a recent writer (Lee, 1969) who, referring specifically to higher education, comments that much of its content was irrelevant to the economic requirements of the country; so, while there was “a serious shortage of veterinary surgeons, the Four Courts swarmed with briefless barristers”.
The implication of these observations for our main discussion is clear. Given that career preferences within social groupings tend to be relatively enduring, it is hardly a plausible counter-factual proposition to suggest that, had the convents and seminaries not existed, there would have been a significant re-direction of youthful talent. Nor should it be assumed that the clerical role ruled out the possibility of assuming some entrepreneurial functions. When the socio-political environment favoured more constructive forms of collective economic activity in the last decade of the nineteenth century, many Catholic (and Protestant) clergy became directly involved. In the depressed regions in the west of Ireland, local clergy were active in supporting and supplementing improvements initiated by the Congested Districts Board. The first secretary and later the historian of that body, W. L. Micks, was especially enthusiastic about the economic role of the clergy and, in his tribute to their enterprise, he incorporates a lengthy roll-call of clerical activists (Micks, 1925). In other areas clergy participated on newly formed county committees of agriculture set up in the wake of the establishment of The Department of Agriculture and Technical Instruction (see Department of Agriculture and Technical Instruction: Report of the Departmental Committee of Inquiry, 1907). This report also comments favourably on the activities of Bishops Kelly and Clancy in the sphere of providing agricultural education. At the Cork Exhibition in 1902, as many as 50,000 persons were personally conducted over the exhibit of the Department of Agriculture by their local clergy (Plunkett, 1904, p. 119). Almost half the agricultural cooperative societies in the country at this time had clerical chairmen (Plunkett, 1904, but see also Kennedy, 1978). More generally, the numbers of informed clerical witnesses giving evidence on social and economic conditions to governmental inquiries in the 19th century are also indicative of a constructive clerical contribution. One may, of course, be somewhat naïve in conducting a mere head count of clerical involvement in various economic activities. The quality of the contribution and the suspicion that the indiscriminate accumulation of power may have motivated some should not be overlooked. Yet it would be too cynical to dismiss the bulk of this activity on such grounds.

IV THE IMPACT OF CHURCH DOCTRINE

If the allegedly negative impact of the Church cannot be traced along such specific channels as its use of resources, perhaps, as Plunkett claimed, its inhibiting potential inheres in its doctrinal corpus. Thus, attitudes and values unfavourable to economic enterprise may be transferred and internalised in the process of religious socialisation. This shifts the critical perspective towards the angle favoured by Weber and Tawney. The problem with this
approach is almost wholly methodological; it is easy to forward plausible hypotheses of this nature, but extremely difficult to test them (note, however, the psychometric technique introduced by McClelland, 1961). The ongoing debate on the relationship between the Protestant ethic and the emergence of capitalism testifies to this difficulty. And, as has been pointed out, a high degree of correlation between these two factors is open to a number of different and competing explanations (Elliott, 1967). One certainly cannot presume to offer a definitive statement in the Irish case, but the admittedly limited data available are not especially favourable to the classic sociological view. In the 18th century, despite legal and other limitations on Catholic enterprise, substantial numbers of Catholic entrepreneurs emerged (Wall, 1969), and indeed as that century closed Ireland had a reasonable claim to be considered a relatively developed country by European (but not English) standards. Unless the economic implications of Catholic doctrine changed radically in subsequent decades, it is difficult to dismiss this sustained development as some kind of temporary aberration.

A possible counter-argument to this may be briefly noted. It is the case that the Irish Church gained a much firmer grip on its followers in the 19th century as its teachings were propagated in a more intensive and systematic manner (Miller, 1975; Larkin, 1972). Perhaps then, Catholic norms, while not necessarily changing, were being taken more seriously by the mass of the people. As against this, one must acknowledge that in the crucial post-Famine period the growth of piety was paralleled by a growing consumer consciousness, rising material expectations, and a ruthless commitment to land possession, almost irrespective of the human costs imposed. Pious, peasant, and economic man merged easily into each other. This suggests the relative autonomy of the religious and the economic spheres, spill-over from the one to the other being limited. However, one Catholic norm — the absolute prohibition on forms of family limitation — might be more plausibly linked to a low level of material welfare in Ireland. The remarkably large families, stemming from what Dr. Kelly, Bishop of Ross, liked to call the “exceptional purity of morals of the Irish people” within marriage, might be seen as increasing the economically dependent proportion of the population and as straining the productive resources of the country (see Kelly, 1904, p. 22). Some development economists have focused attention on these adverse demographic consequences; a leading practitioner has warned that “certain religious attitudes are opposed to deliberate family limitation and may result in overpopulation, famine and poverty” (Lewis, 1955, p. 102). The simple answer to this in the Irish case is, of course, that the people of 19th century Ireland possessed neither the desire nor the techniques to practise family limitation. The Church, on this issue, led the Catholic population in the direction in which it was already moving.
Turning aside from Catholic to Protestant groups in Ireland, it must be admitted that in the 19th century militant Protestantism and industrial progress appeared to be closely related in the north-eastern enclave which centred on Belfast, while the Irish economy as a whole went into secular decline. However, it is remarkable that some of the leading Ulster entrepreneurs of that century did not spring from the predominantly Protestant society of the north-east. Thus, the "father of Belfast shipbuilding", William Ritchie, was of Scottish origin, while two giants of that industry, G. W. Wolff and Edward Harland, were also of non-Ulster stock (Lyons, 1971). More generally, the major contribution of immigrant groups — Huguenots, Quakers, Scots — to the development of the north-east must be recognised (see Green, 1957). Clearly, in the absence of a representative set of entrepreneurial biographies, one can only form some crude impressions, but for the proponents of the classic view there are some substantial problems to be explained away.  

V CONCLUSIONS

The purely economic functioning of the Irish Church represents an improbable line of argument in explaining the poor performance of the Irish economy in the 19th century. The Church revenue and expenditure patterns suggest, if anything, some impulse towards economic growth rather than retardation. Rather than seeking such a causal connection between the Church and the economy, it may indeed be more realistic, particularly in relation to rural Ireland, to view the people’s spending on metaphysical services as but one reflection of more deep-seated elements in the social structure inimical to economic development. Local clerical participation in economic activities, at worst, emerges in a weakly positive light. That it does not assume a considerably stronger aura is, in part, due to its selectivity. Clerical activity of an economic nature was almost wholly concerned with rural economic development and was indicative of a stream of agrarianism running through clerical thinking. This mood is conveyed by the Reverend T. A.  

5. Apart from the contrary pointers raised in the text, there is the further issue that immigrant and religious status, as in the case of Huguenots, Quakers, and Scots, frequently coincided. Disentangling the separate implications of these two factors for entrepreneurial behaviour is no easy task. There can be little doubt, though, that members of Non-conformist groups were disproportionately represented among industrial and commercial entrepreneurs in Ireland, but my own view is that thorough research will suggest that access to special skills, group cohesion and other social characteristics of minority groups, as well as immigrant status in some instances, constitute the major explanatory variables — a belated recognition, perhaps, of religion in its place, even in Northern Ireland.
Finlay, Jesuit priest and professor of political economy at University College, Dublin (1908, pp. 62–63),

He believed it would be a sad day for this country if the multiplication of Belfasts should obscure the great truth that it was not in the manufactures, but in the fields of the country, that the real prosperity of the nation was to be sought

and also O’Donovan (1900), Macken (1903), and the masterly discussion of this and other aspects of clerical thought in Miller (1973). There is no evidence, however, that these clerical preferences materially influenced entrepreneurial decisions in the 19th century. In the typical case, one presumes the businessman is sensitive to private, rather than social, costs and benefits. So, while members of the clergy might be uneasy about the social consequences of industrialisation and urbanisation, one would be very surprised indeed to find profit-motivated individuals neglecting investment opportunities on this basis. On a more nebulous, though perhaps fundamental, plane, it is difficult to assess the significance of Catholic doctrine and associated norms for the supply of entrepreneurship. However, in the absence of a convincing demonstration along these lines, it seems more reasonable to regard the Catholic Church as making a positive, if modest, contribution to the economy of 19th century Ireland.

REFERENCES

Editors' note: In the foregoing paper Kennedy refers to the contributions of Emmet Larkin in the study of the relevance of religion as an explanatory variable in Irish underdevelopment and raises doubts regarding the validity of the income estimates and methodology upon which Larkin's theories were based. In correspondence with the editors Professor Larkin has asked that the following extract from the introduction to his edited works, The Historical Dimensions of Irish Catholicism (New York: Arno Press 1976), be printed in order to put forward his own most recently stated views on the issue.

Since the first essay in this volume on the growth of the economic power and influence of the Church in Ireland in the nineteenth century was written more than ten years ago, perhaps something should be said about the extent to which it has been modified by more recent research and thought. When the essay was written, in fact, Irish economic history was still in its infancy. Since then a considerable amount of very good work has been done, which has certainly caused me to reconsider some of my earlier assumptions with regard to the Church's role in Ireland vis-à-vis both capital investment and economic growth. Ten years ago I argued that the Church inhibited economic growth in Ireland by diverting a significant amount of the capital available for investment to its own uses. My assumption then, of course, was that there was a shortage of capital. Professor Joseph Lee, however, has persuasively argued in a number of recent articles that what hampered economic growth in Ireland was not a deficiency in the amount of capital available, but rather that it was not used in an intelligent and productive way. Both he and Dr. L. M. Cullen, for example, have pointed out that bank deposits increased in Ireland in the latter half of the nineteenth century. They rose, in fact, from £8 million in 1845 to £60 million in 1913. Lee and Cullen have also pointed out that the continued increase in livestock numbers after 1830 is yet another indication that there was no shortage of capital, at least in terms of agricultural development, and that indeed Ireland was a net exporter of capital for much of the nineteenth century. In a word, the main problem in achieving economic growth in Ireland in the nineteenth century was the lack of risk capital rather than ordinary capital, which was apparently sufficient. It must be admitted, therefore, that the probability of the Church having diverted any considerable amount of risk capital to its own uses is not very great, and the argument that Irish economic growth was impeded by the Church's appropriation of a significant amount of capital is now unlikely.
The unlikeliness, moreover, is reinforced by a reconsideration of a second basic assumption that I made in my article. I assumed that the Church was essentially a non-productive institution, and that it was a drain on rather than a contribution to the Irish economy. In presenting the Church as a producer of services and not goods, and in neglecting the Church’s role as a consumer of both goods and services, I took too narrow a view. Some of the services produced by the Church, for example, and particularly in the area of education, certainly contributed in a positive way to the economy by improving skills and raising the literacy rate. In building an enormous plant in the course of the nineteenth century, moreover, the Church certainly increased the level of domestic demand, while a large portion of its income must have been spent in feeding and servicing the clerical population. Finally, I would now be prepared to admit that on balance the Church’s role in the economy was more positive than I allowed ten years ago, and may have indeed contributed to rather than retarded what improvement there was in the Irish economy.

While a great deal has been done, however, to improve our knowledge about Irish economic history in the last ten years, literally nothing has been done about the economic role of the Church in Ireland in the nineteenth century. In spite of my obvious and stated reservations, therefore, I have decided to allow the article to be reprinted as written. The heart of the article, as to how the Church built a formidable establishment in terms of plant and personnel in the course of the nineteenth century, is still, I believe, both sound and useful. The several appendices, moreover, are also still of value, especially as a starting point for some further estimate of Irish national income figures as well as for a more detailed inquiry into what the Catholic community’s share of that income was in the period under consideration. Given the sectarian nature of Irish politics and society, how far sectarianism affected the workings of the Irish economy and the distribution of wealth is a very important question, and may lead to some better understanding of to what extent there were different Protestant and Catholic economic lifestyles as far as savings and investment and consumption patterns are concerned. I have decided, therefore, to allow the article to stand not only for what it says about the economic role of the Church, but also a point of departure for further thinking about the implications of that role.