

The Irish Economy After a Century

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University College Dublin

8th Dónal Nevin Lecture, 23 February 2021

COVID 2020-21

FLU 1918-19

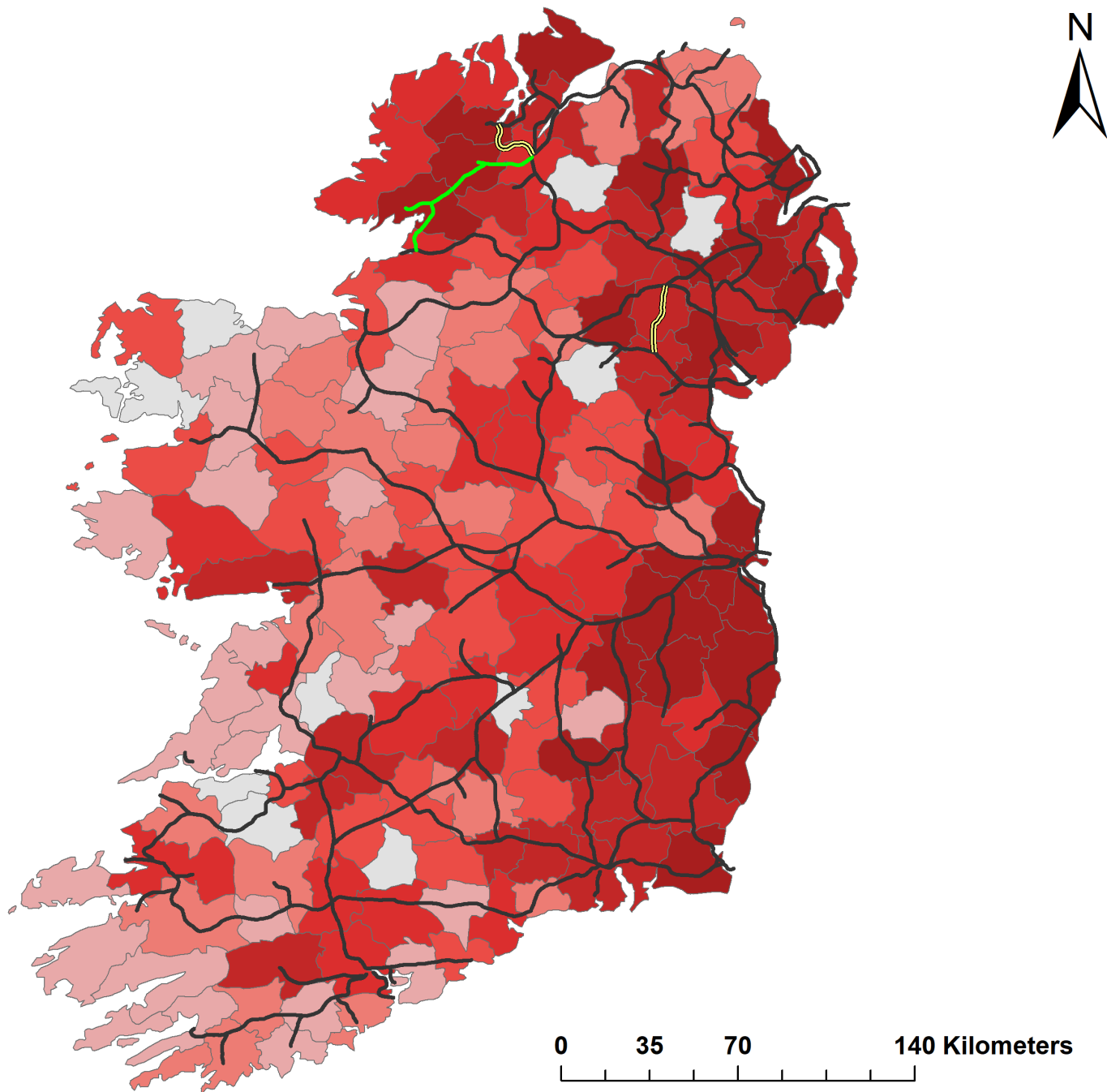
Deaths:	4,136 [21 Feb]	23,000 [in three waves]
Vulnerable:	Elderly [the 85+ are 2% of population, 43% of deaths]	Young adults
Treatment	NPIs; vaccines	NPIs
Regions	<i>High</i> : CAV, CAR, LOU <i>Low</i> : KY, ROSC, LTM	See map
Socio-economic	<i>“lays bare pre-existing inequalities”</i>	Poor worst hit

<i>Country</i>	<i>COVID (23 Feb)</i>	<i>FLU 1918-1919</i>	
Ireland	4,137 [0.8]	23,000	[5.3]
UK	120,757 [1.8]	240,000	[5.8]
US	500,103 [1.5]	675,000	[6.5]
Spain	67,636 [1.5]	257,000	[12.3]
Italy	95,992 [1.6]	450,000	[12]
Sweden	12,649 [1.2]	34,000	[5.9]
Belgium	21,923 [1.9]	30,000	[3.9]
India	156,463 [0.1]	12 m.	[40]
Global	2.5 m. [0.4]	40 m.	[20]

- Railways_Under_Construction_1906
- Joint_Lines_1906
- Irish_Railways_1906_Main_Branches

Flu_per_1000_1918

- 0.000000 - 0.769777
- 0.769778 - 1.300108
- 1.300109 - 1.705514
- 1.705515 - 2.230649
- 2.230650 - 3.288490
- 3.288491 - 5.149405
- plu1871



Map drawn
by Dr. Francis
Ludlow
[TCD]: shown
with
permission

GDP per capita

Source: MPD

Year

GDP/Pop Cons/Pop

1921

4,038

3,500

2018

64,684

26,000

Ratio

16

7.4

Population (millions)

Year

All-Ireland

IFS/Republic

1841

8.2

6.5

1921

4.4

3.1

1961

4.2

2.8

2021

6.8

4.9

Life expectancy

Year

Female

Male

1926

57.9

57.4

2019

84.0

80.4

Cons/Head has septupled. Are 'we' 7 times as HAPPY?

OF COURSE NOT: but no way of measuring

Cultural historians have gone to Monaghan for an answer:

*The grey and grief and unlove,
The bones in the backs of their hands,
And the chapel pressing its low ceiling over them*

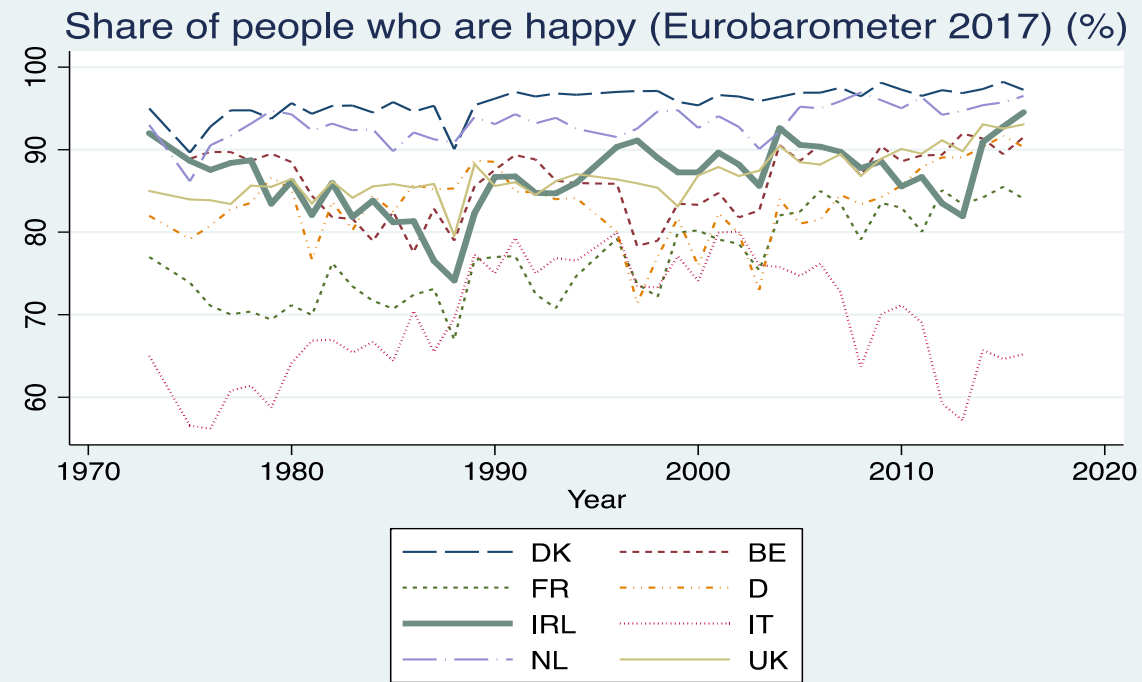
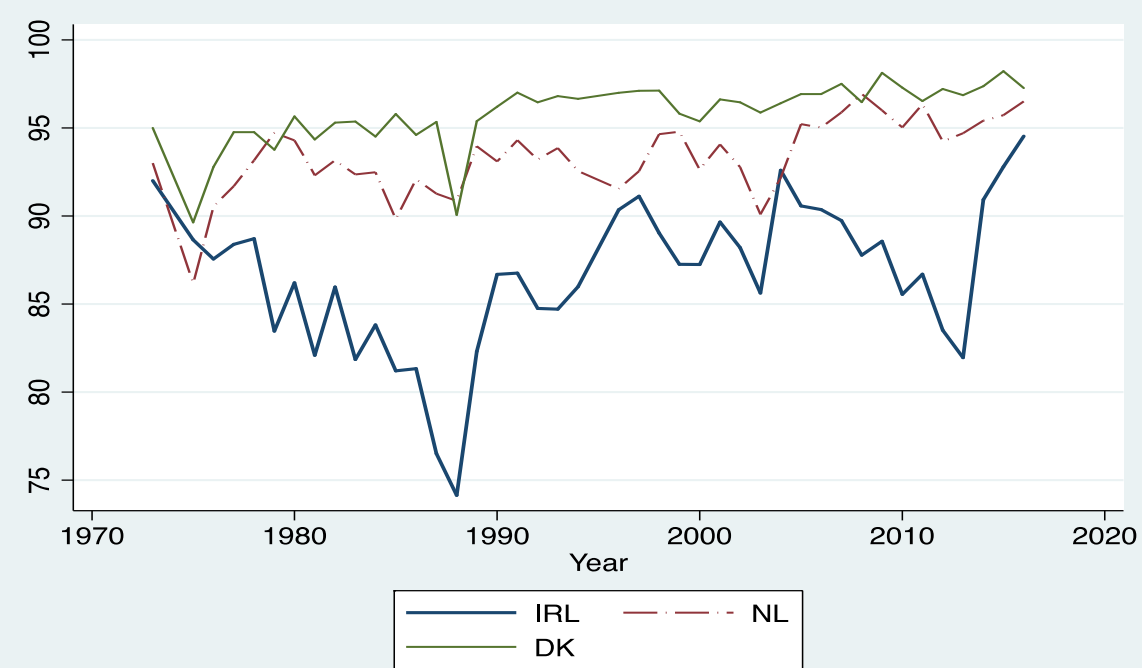
[Patrick Kavanagh, *The Great Hunger*, 1942]

Share of people who are happy *in surveys* has not risen in tandem with consumption

Comparisons with other countries problematic
[sona ≠ lykkelek ≠ feliz ≠ contento]

But over time ok?

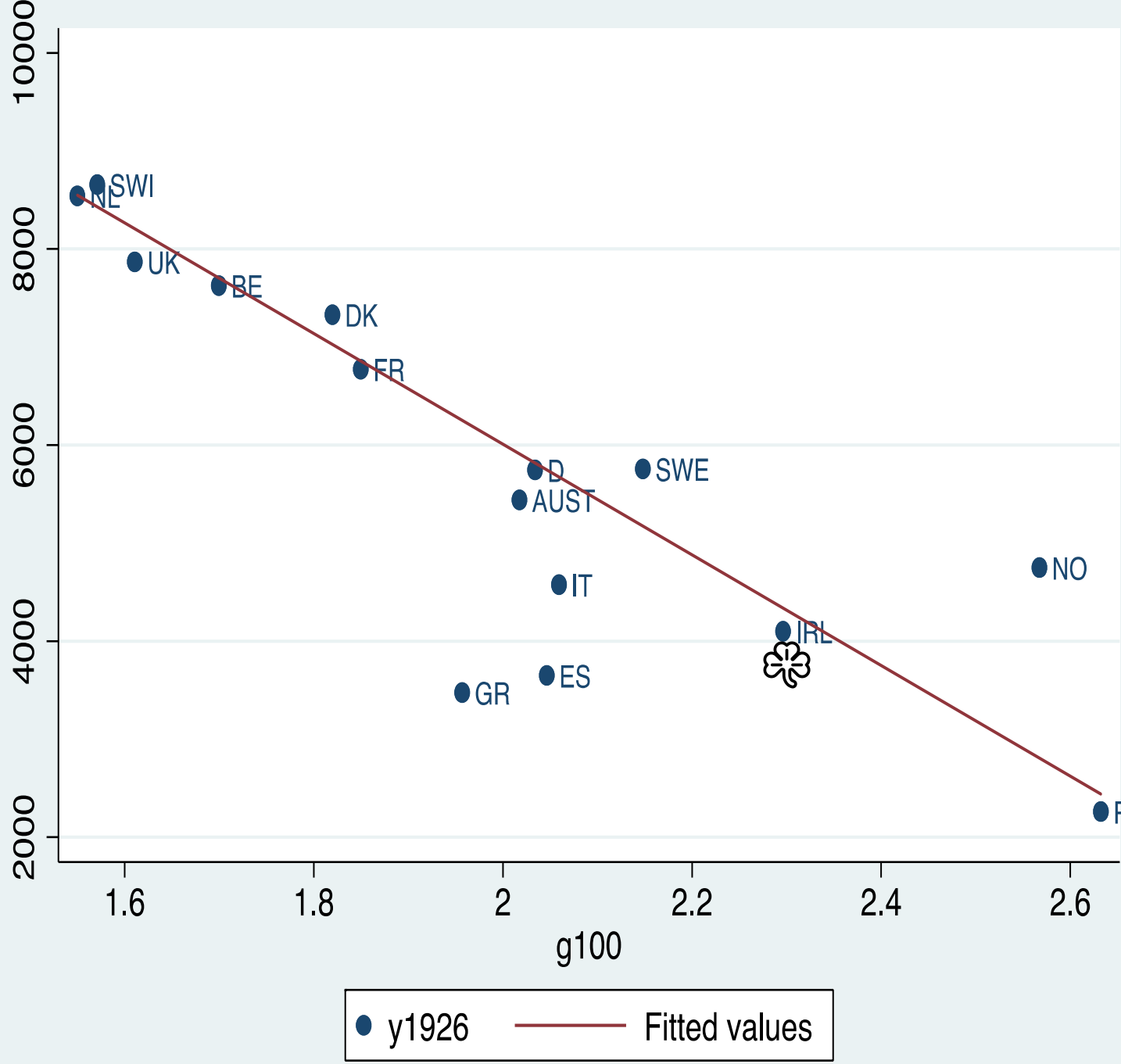
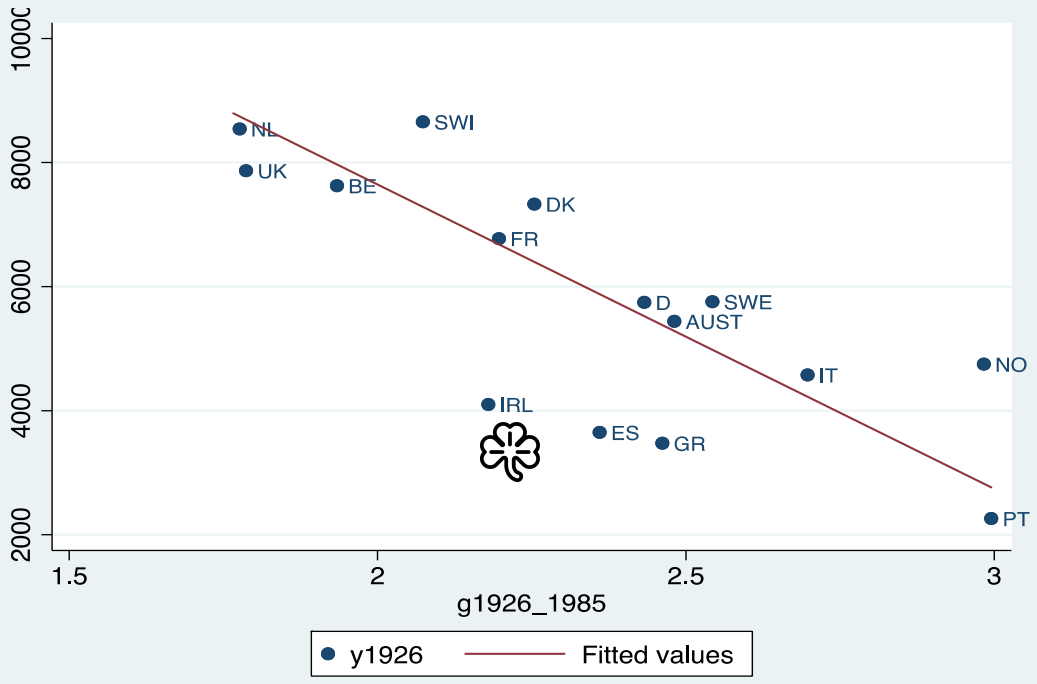
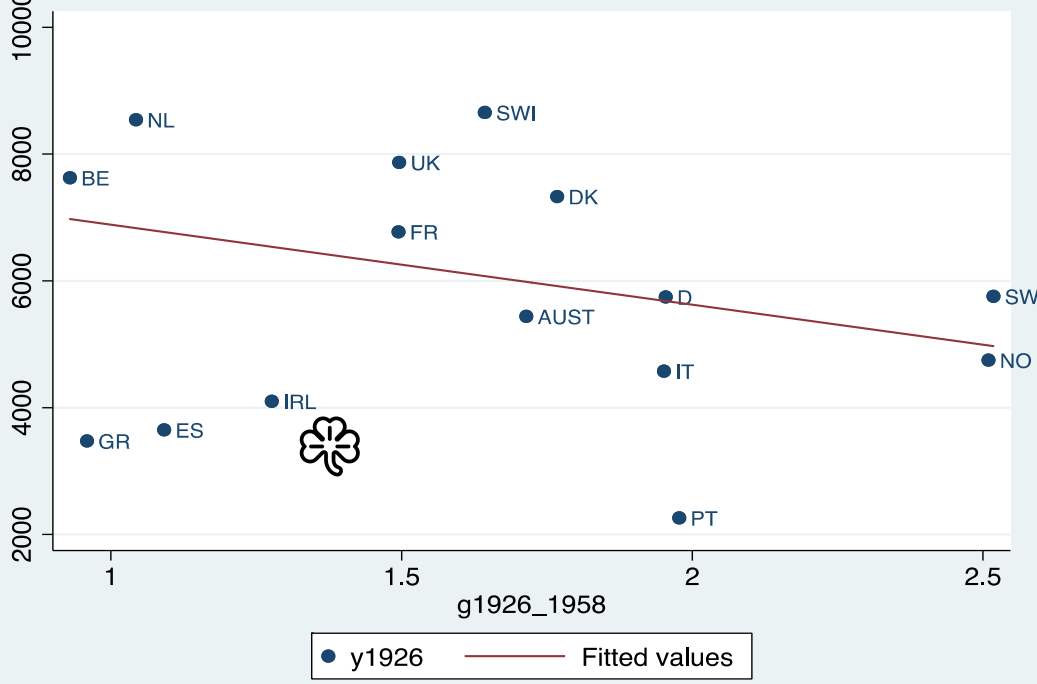
What matters most to people is *where they stand relative to others*

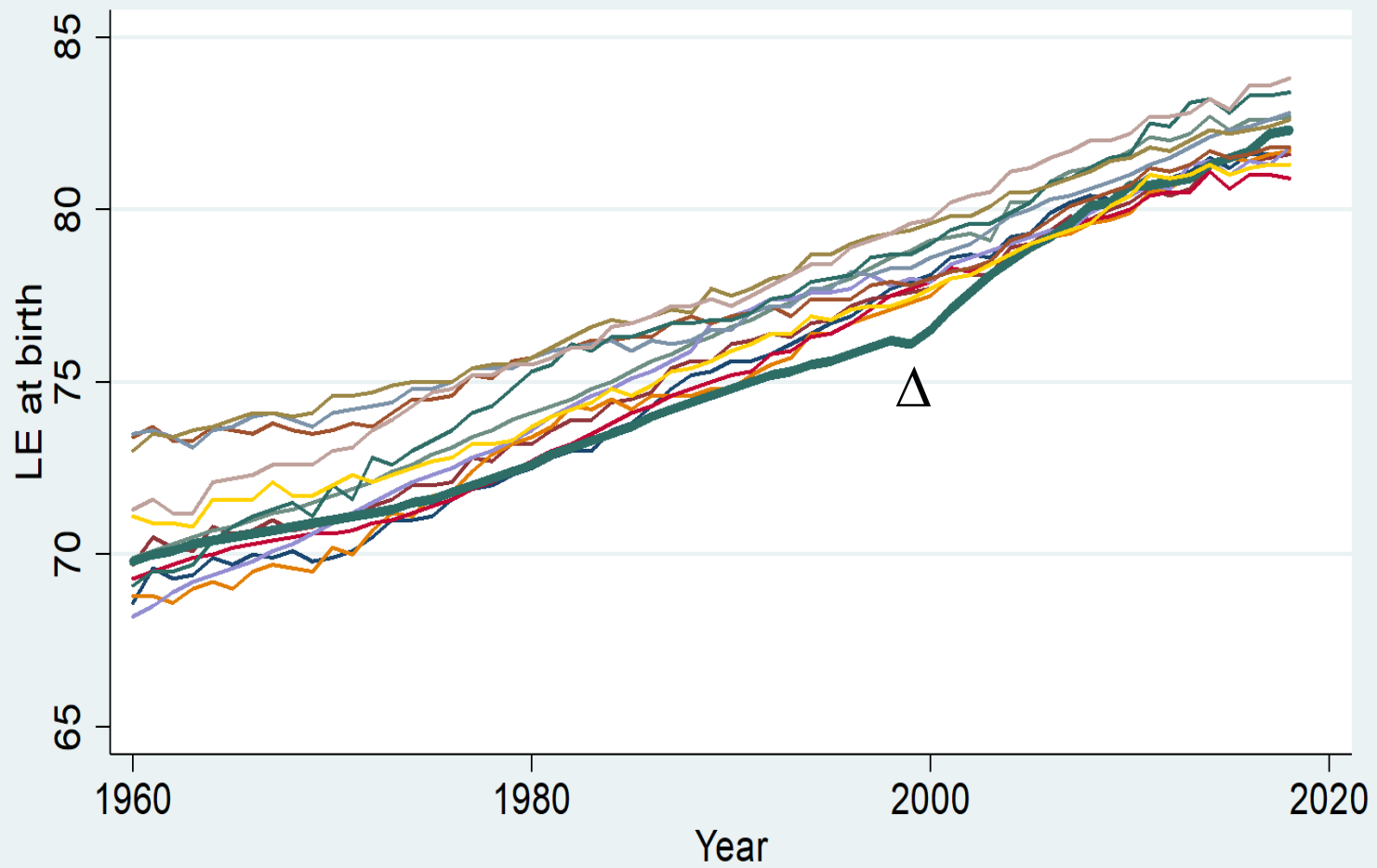


<i>Country</i>	<i>1913</i>	<i>1958</i>	<i>1985</i>	<i>2018</i>	<i>1985(C)</i>	<i>2019 (C)</i>
Belgium	154	166	161	61	145	95
Germany	133	174	163	71	152	101
Denmark	143	209	187	72	192	118
Finland	77	141	156	60	139	104
France	127	177	167	60	142	93
Greece	43	77	100	36	103	63
<i>Ireland</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>
Italy	93	138	151	53	143	84
Netherlands	148	193	164	73	148	94
Norway	101	172	186	131	202	161
Portugal	46	69	89	42	73	62
Spain	70	84	99	49	101	72
Sweden	105	209	174	70	154	107
UK	188	206	152	59	127	111
<i>Rank</i>	<i>9th</i>	<i>11th</i>	<i>11th</i>	<i>2nd</i>	<i>12th</i>	<i>7th</i>

Irish income per capita in comparative perspective (Ireland = 100)

Sources: Columns (1)-(4) (GDP per capita, 2011 dollars). Column (5)-(6): household consumption per capita (2010 dollars)

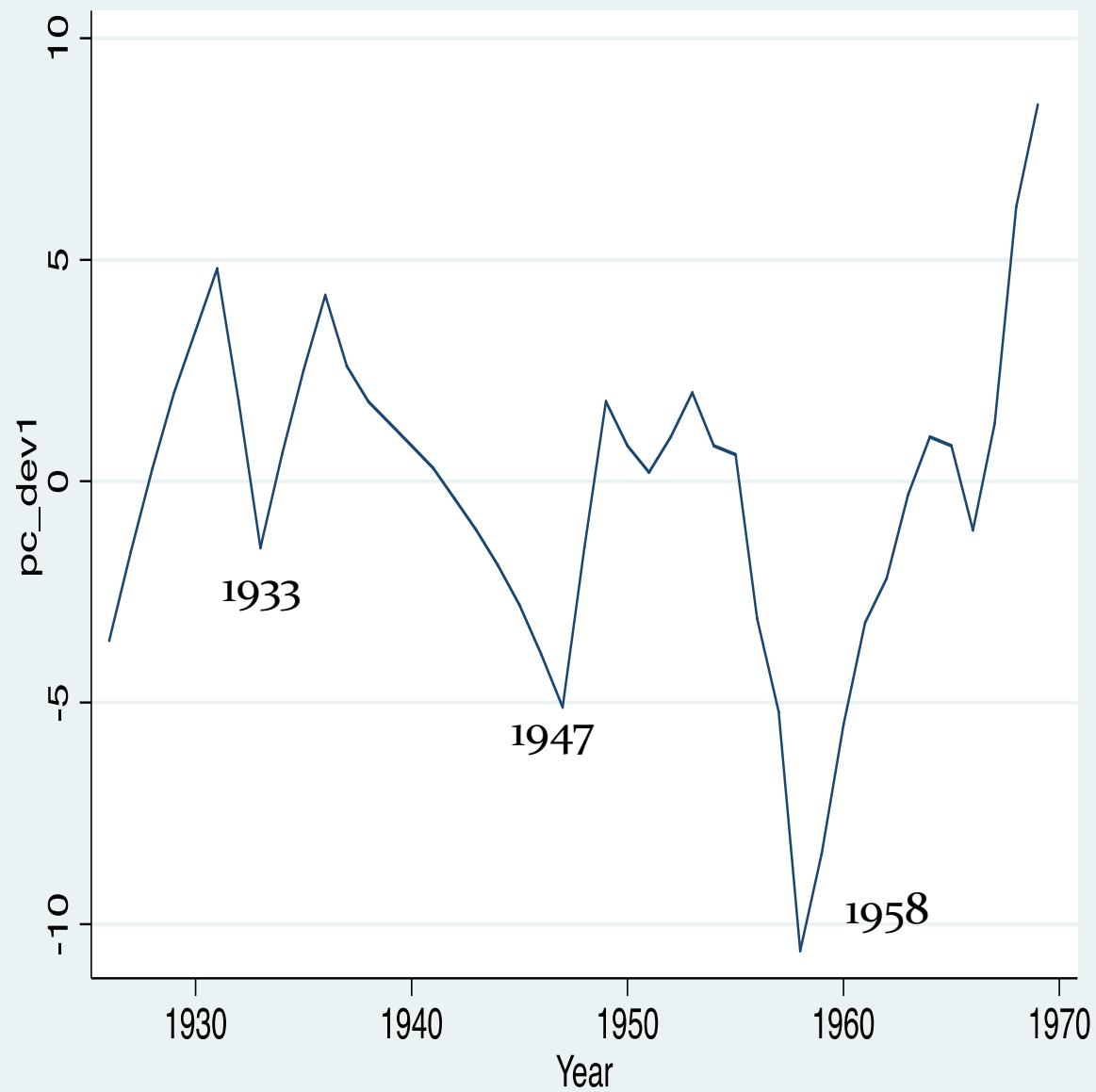




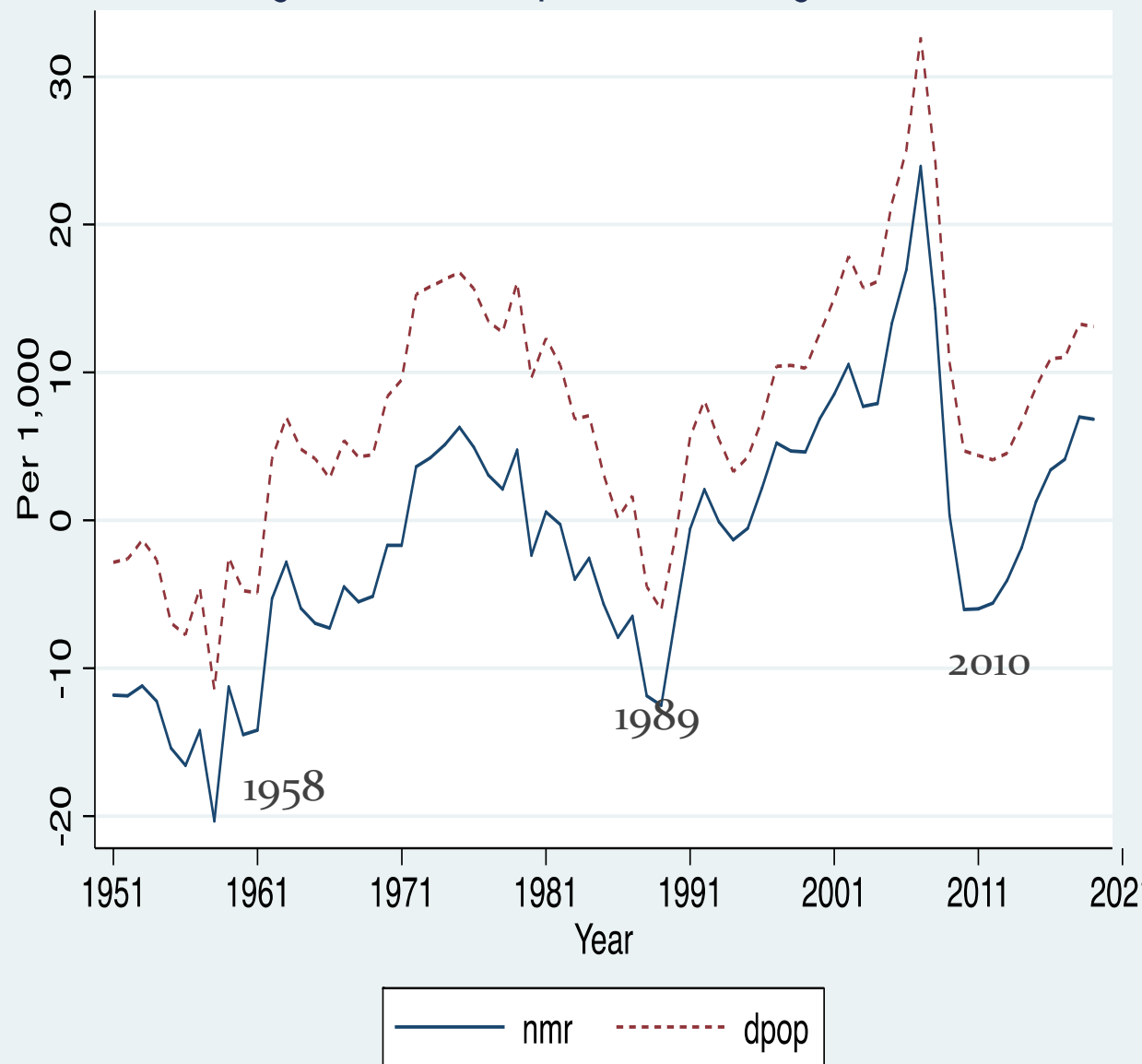
— AUT	— BEL	— DNK	— FIN
— FRA	— DEU	— GRC	— IRL
— NLD	— NOR	— ESP	— SWE
— CHE	— GBR		



GNI Deviations from Trend 1926-1969



Net Migration and Population Change, 1951-2018



1920s:

- Wages fell, emigration high
- No hyperinflation
- Reputation established
- Democracy secured

Kevin O'Higgins: *"the most conservative revolutionaries that ever put through a successful revolution"*

Ernest Blythe: *"To cut 6d [off the income tax] would mean an immediate loss, of course, but I have little doubt ... that in a year or two the yield would improve so as to meet the loss"*

Oliver Gogarty: *"OAP an alien imposition under which persons who were not really deserving received pensions"*

Patrick McGilligan: *"people may have to die in this country and may have to die through starvation"* (PDDÉ, 30/10/1924).

THE FAMINE IN IRELAND.



The interior of a cabin in Gorumna Island, co. Galway, where the famine conditions are very severe.

"There is no abnormal distress in the West this year. I say that definitely and deliberately. There is always distress in the West."

Patrick Hogan,
Minister for Agriculture,
Dáil Eireann,
13 February 1925

2. *The Economic War 1932-38*

Livestock Prices Plummet:

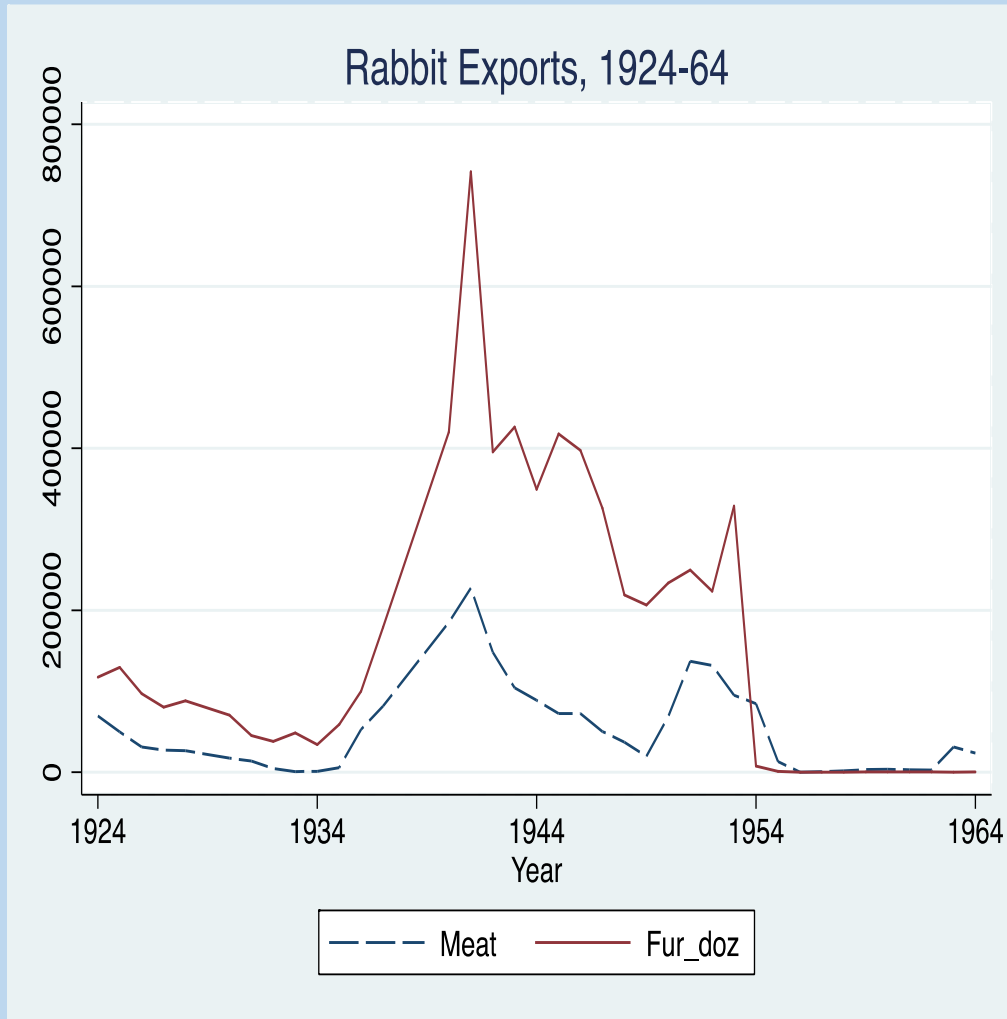


Political Unrest, Bad for Farmers, Good for workers.
Hardship but no Excess Mortality. Lessons Learned?

3. *The Emergency 1939-1945:*

- Halt to Fall in Non-Farm Horse Numbers
- Compulsory Tillage
- Fewer Killed on Roads
- Domestic Use of Turf Peaked

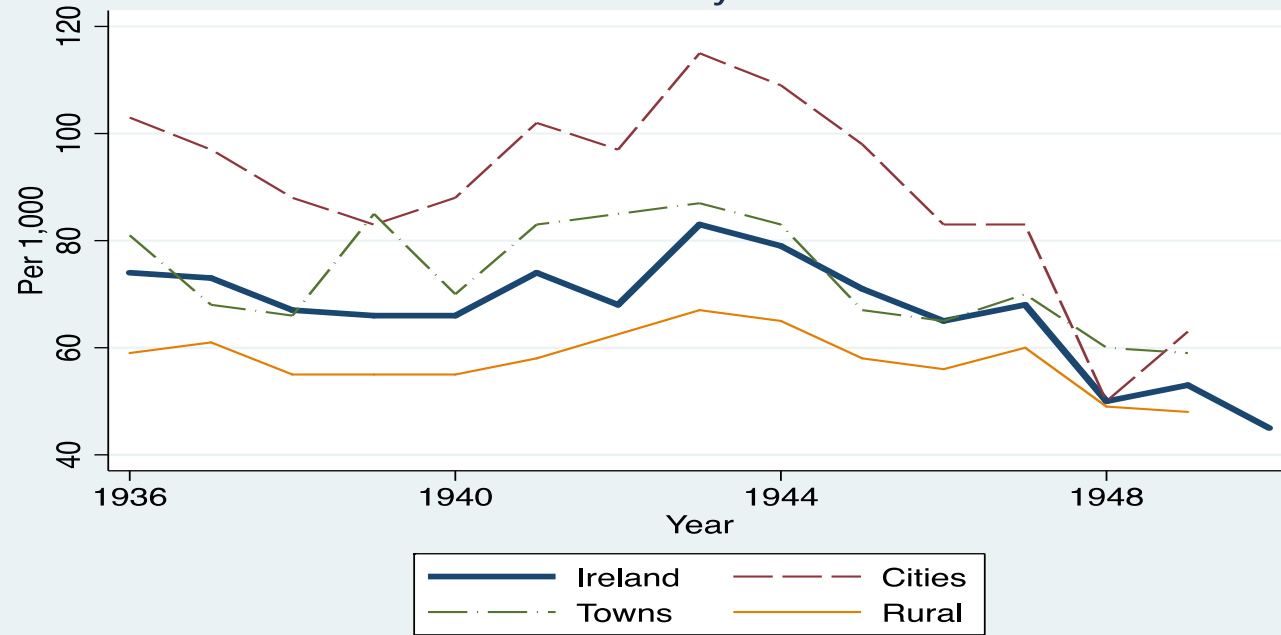
No Economy is an Island:
not even an Island Economy



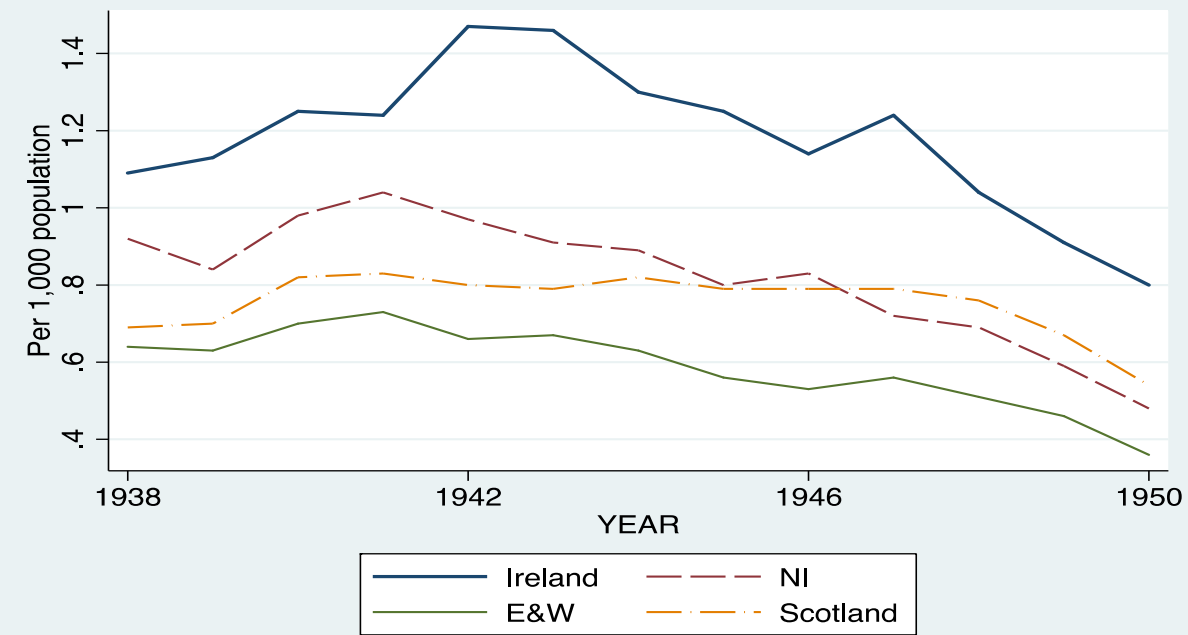
400 tons of frachans
(worth £64,292)
exported in 1941 =>
60,000 days' labour.

Rabbits: 3% of all Exports
in 1941!

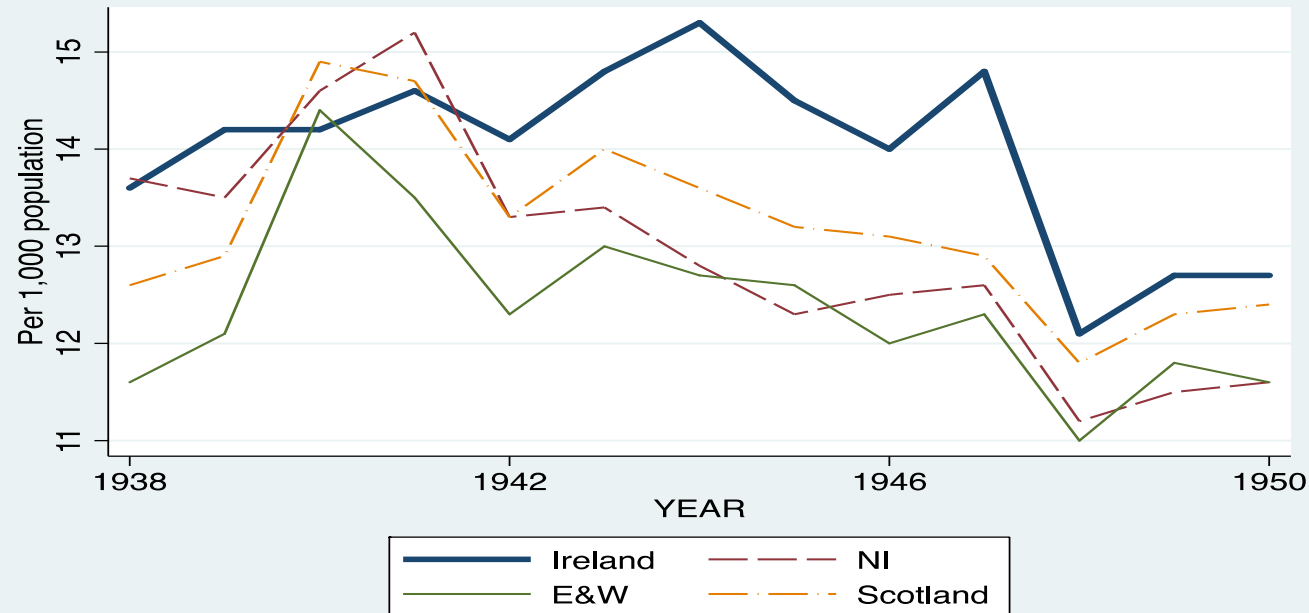
Infant Mortality 1936-1950



TB Death Rate 1938-1950

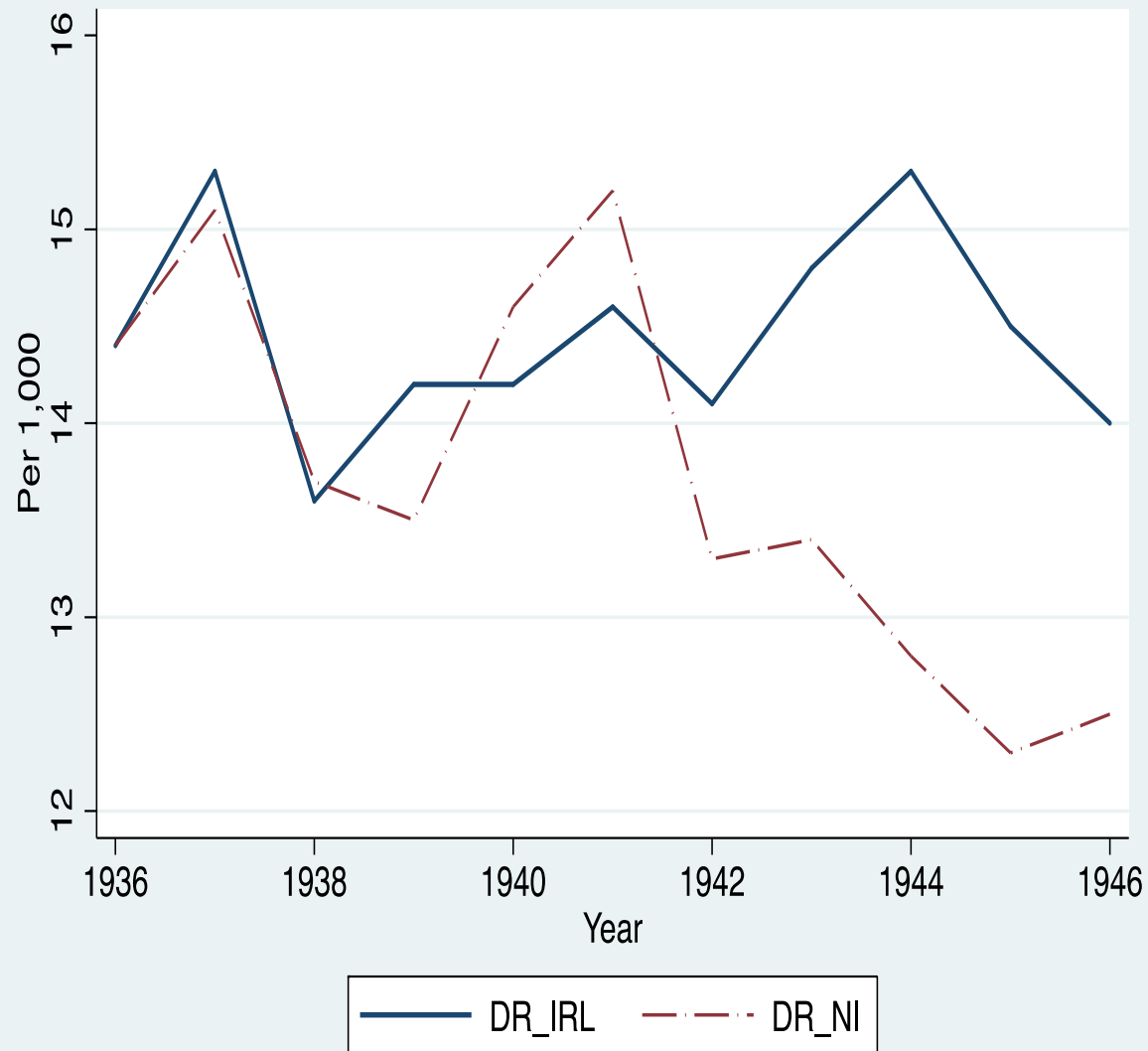


CDR 1938-1950



Irish mortality during the
Emergency in
Comparative
Perspective

Death Rates North and South, 1936-1946



Using NI as
benchmark

=>

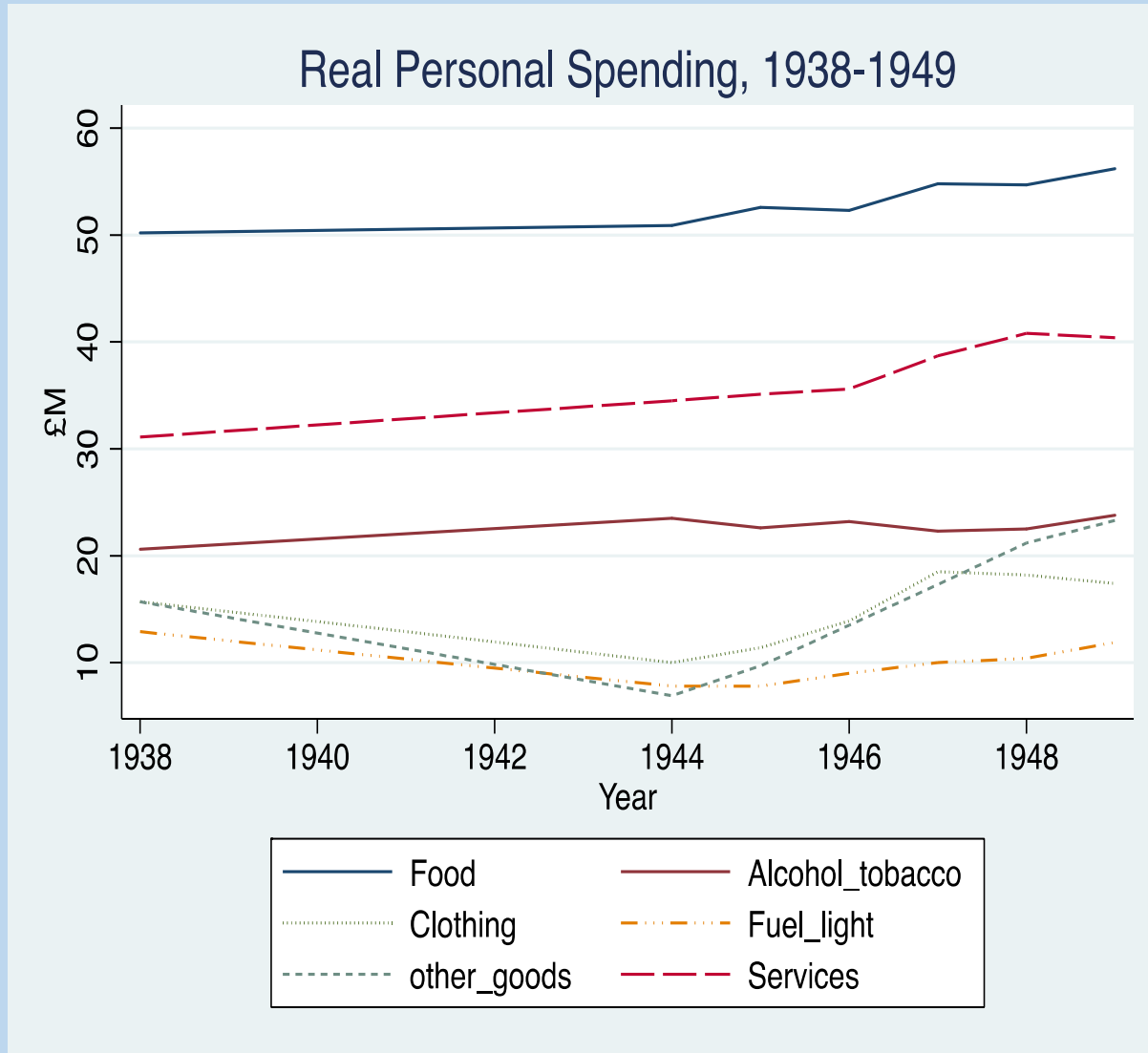
5,000 extra
deaths in Irish
the South in
1942-1945 ?

Spending on *Fuel & Light* and on *Other Goods* fell by 40% and on *Clothing* by 30% during Emergency

Spending on *Alcohol & Tobacco* rose a bit

⇒ Some intra-household redistribution? [“bread-winner wage” effect?]

Spending on *Clothing* up by half and on *Other Goods* by 130% between 1945 and 1949



“The statistical evidence, as far as it can be interpreted, confirms the general observation, that the Republic is falling further behind; and it is falling behind, not only in income, but in the technical progress which creates the promise of further income”.

Charles Carter, QUB, 1956



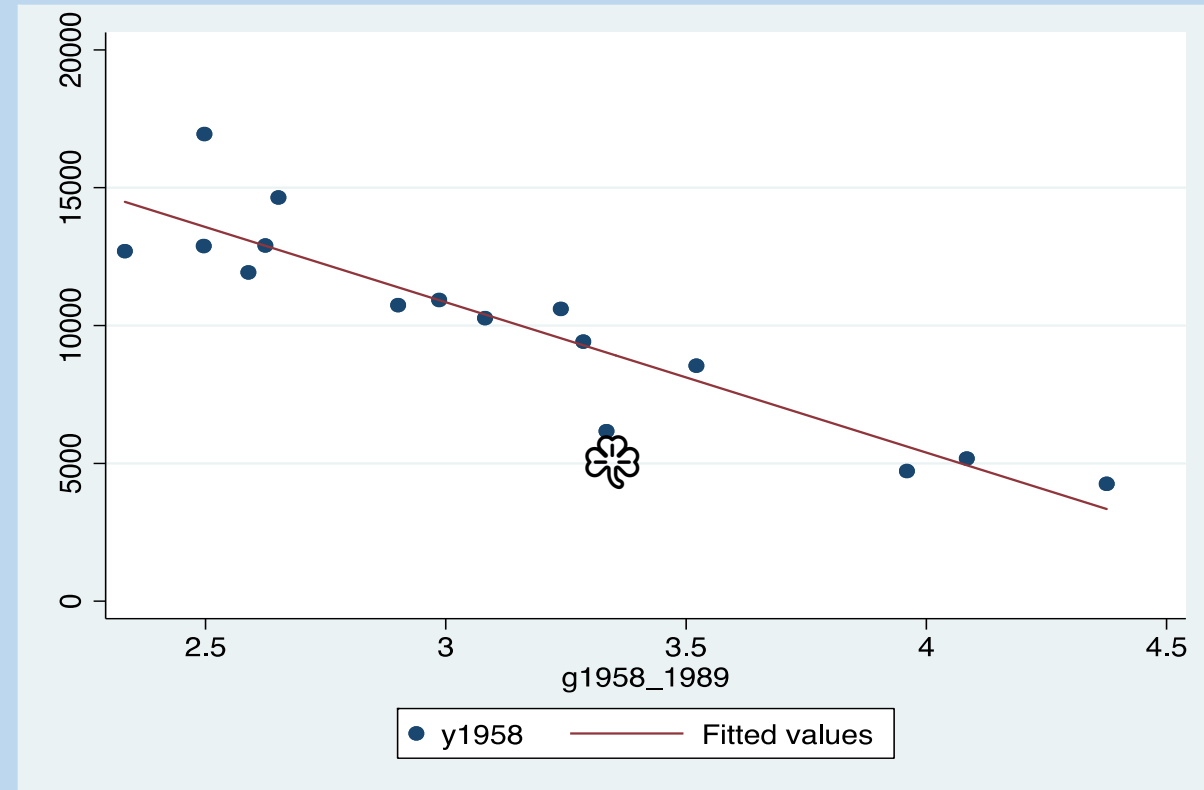
4. The 'Lost Decade' of the 1950s:

Hallmark:

Net migration = 444,000 [1950-1961],

Most young,
poorly educated

Post-1950s revival:
causes and extent
(compare Mary Daly on 1960s)



5. Mid-1970s-Late 1980s

McCarthy and Walsh (1980): *“There are simply no macroeconomic policies that can be implemented in our current predicament that would move the country painlessly towards financial balance. Time should not be wasted searching for means to avoid the unavoidable”*.

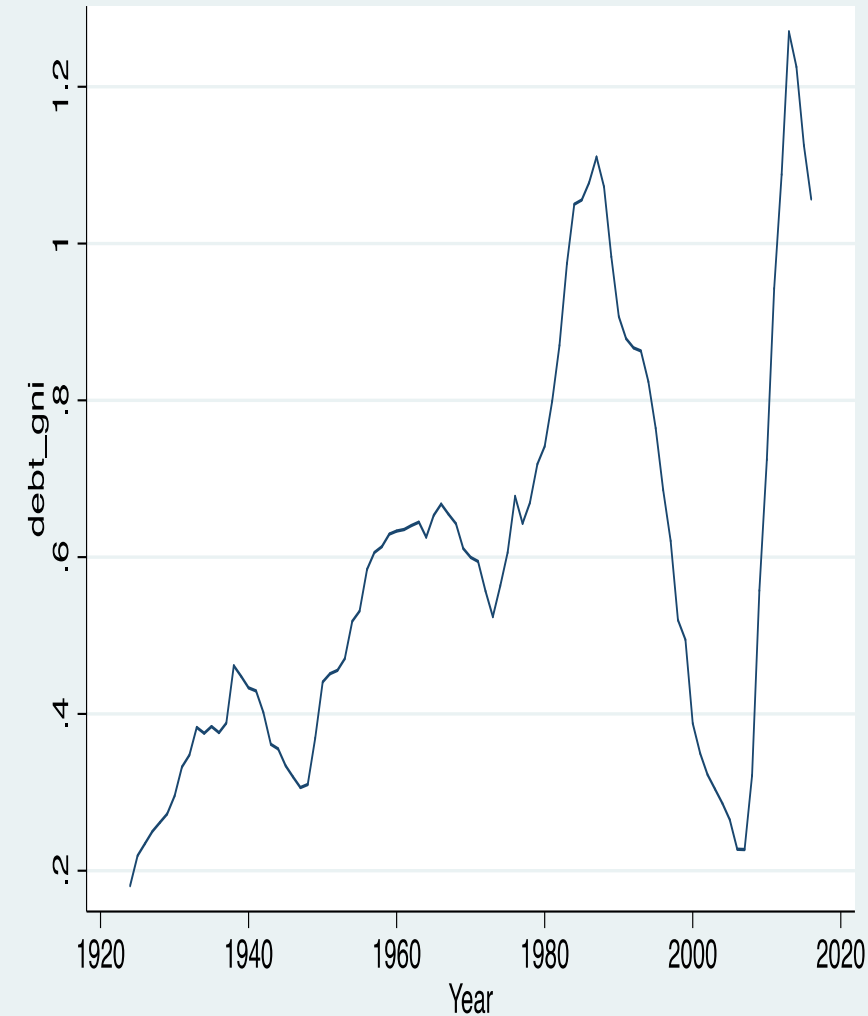
Keynes should have stayed in Kinnegad!!

J. J. Lee (1989):

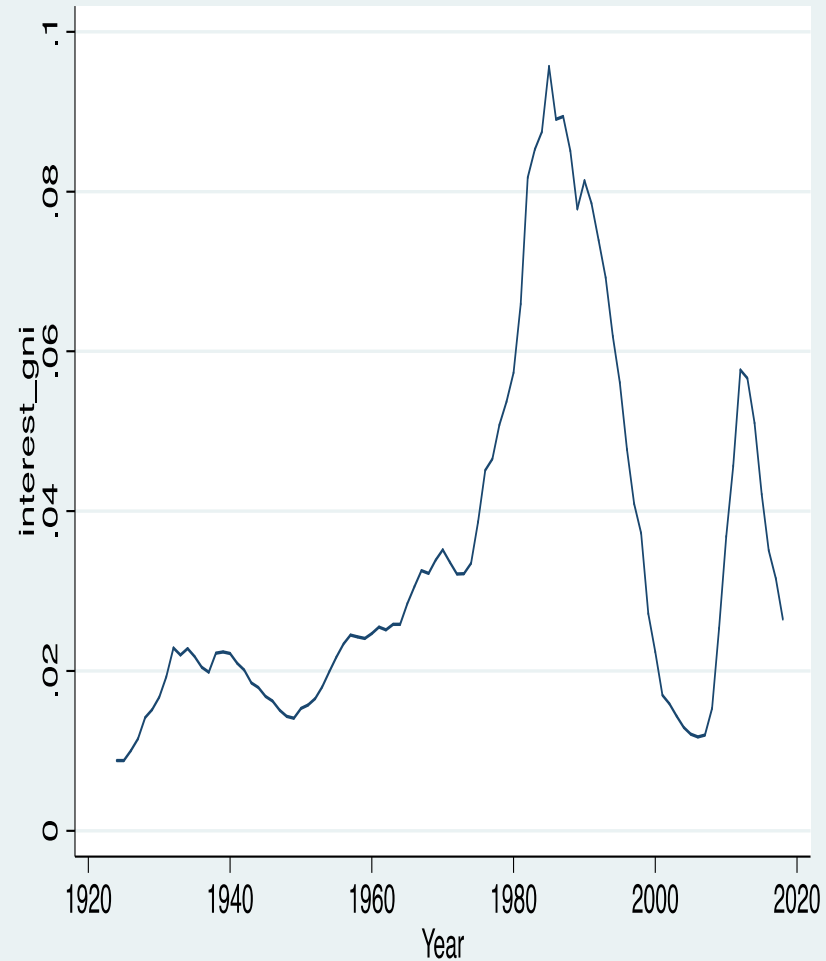
“Irish economic performance has been least impressive in western Europe, perhaps in all Europe, in c20”.

The 1980s and the 2000s

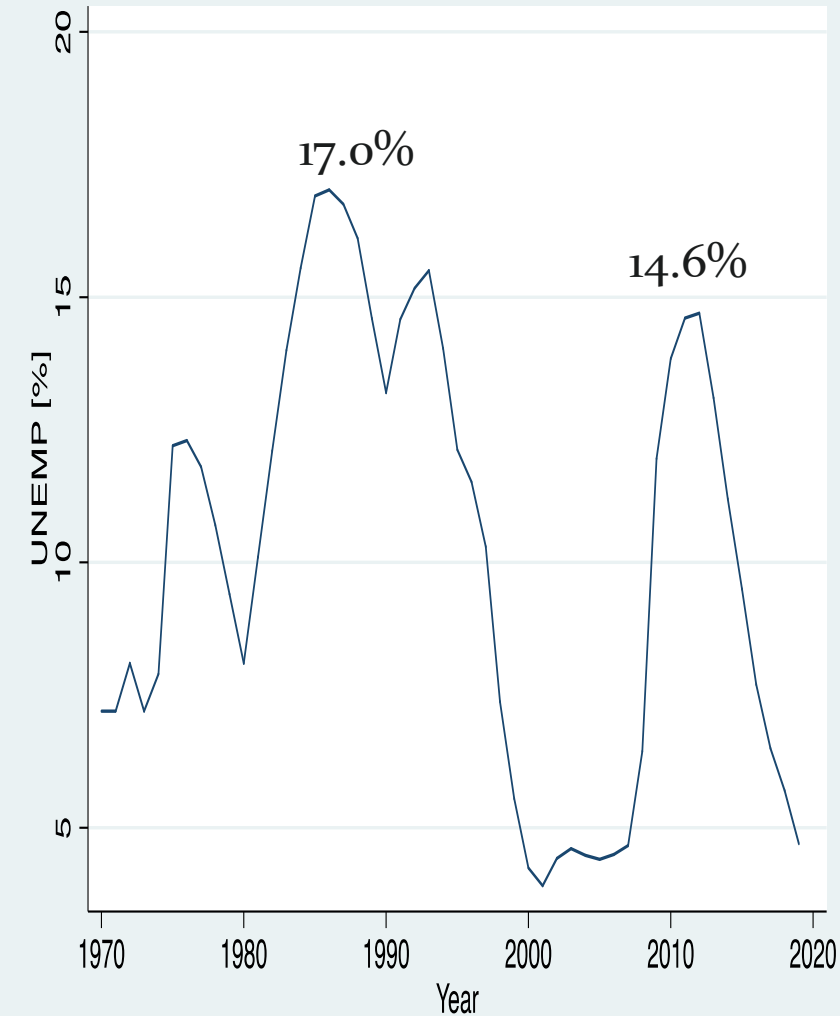
Ratio of Net National Debt to GNI 1924-2016



Interest Payments Relative to GNI 1924-2016



Unemployment Rate 1970-2020



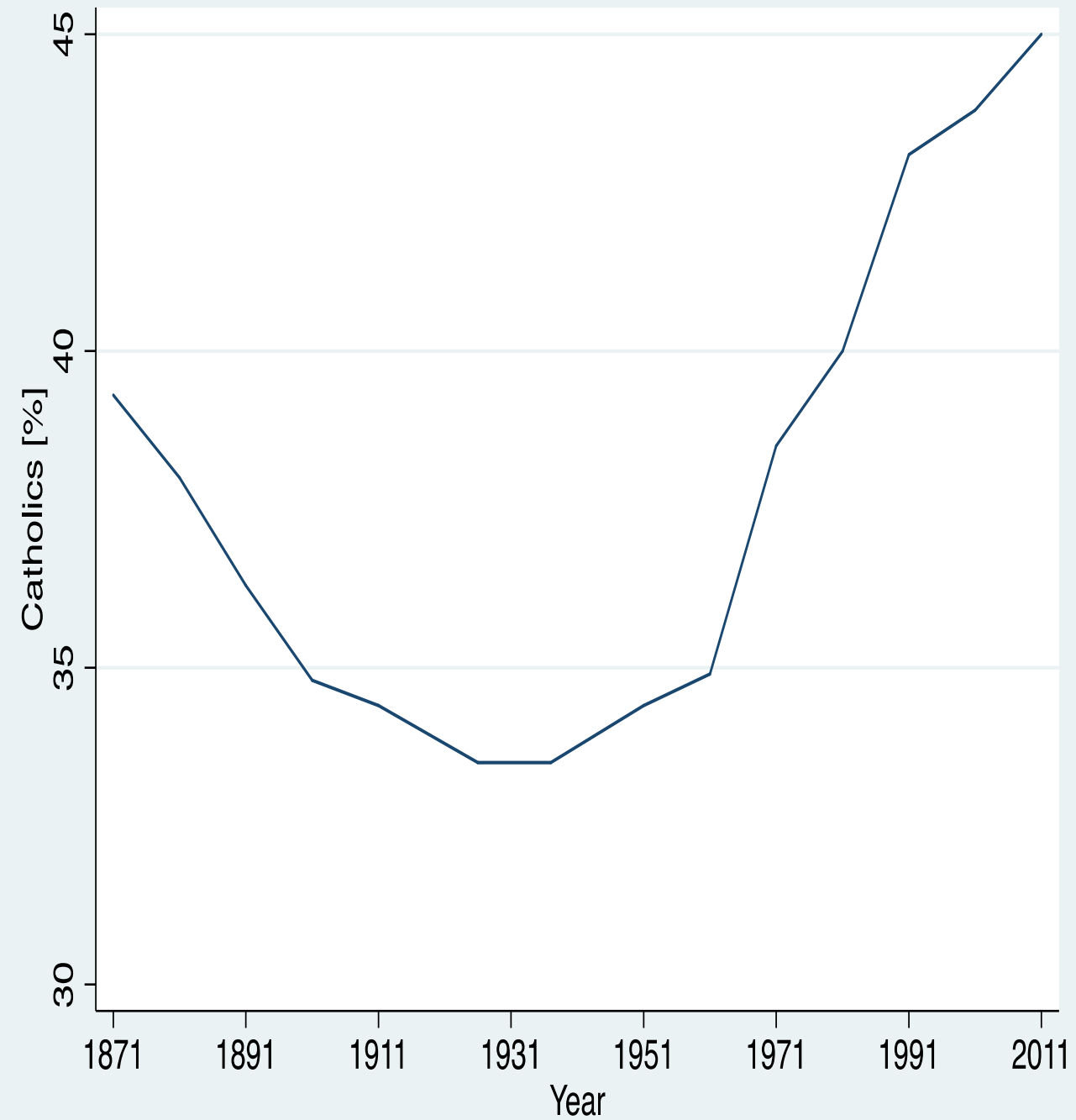
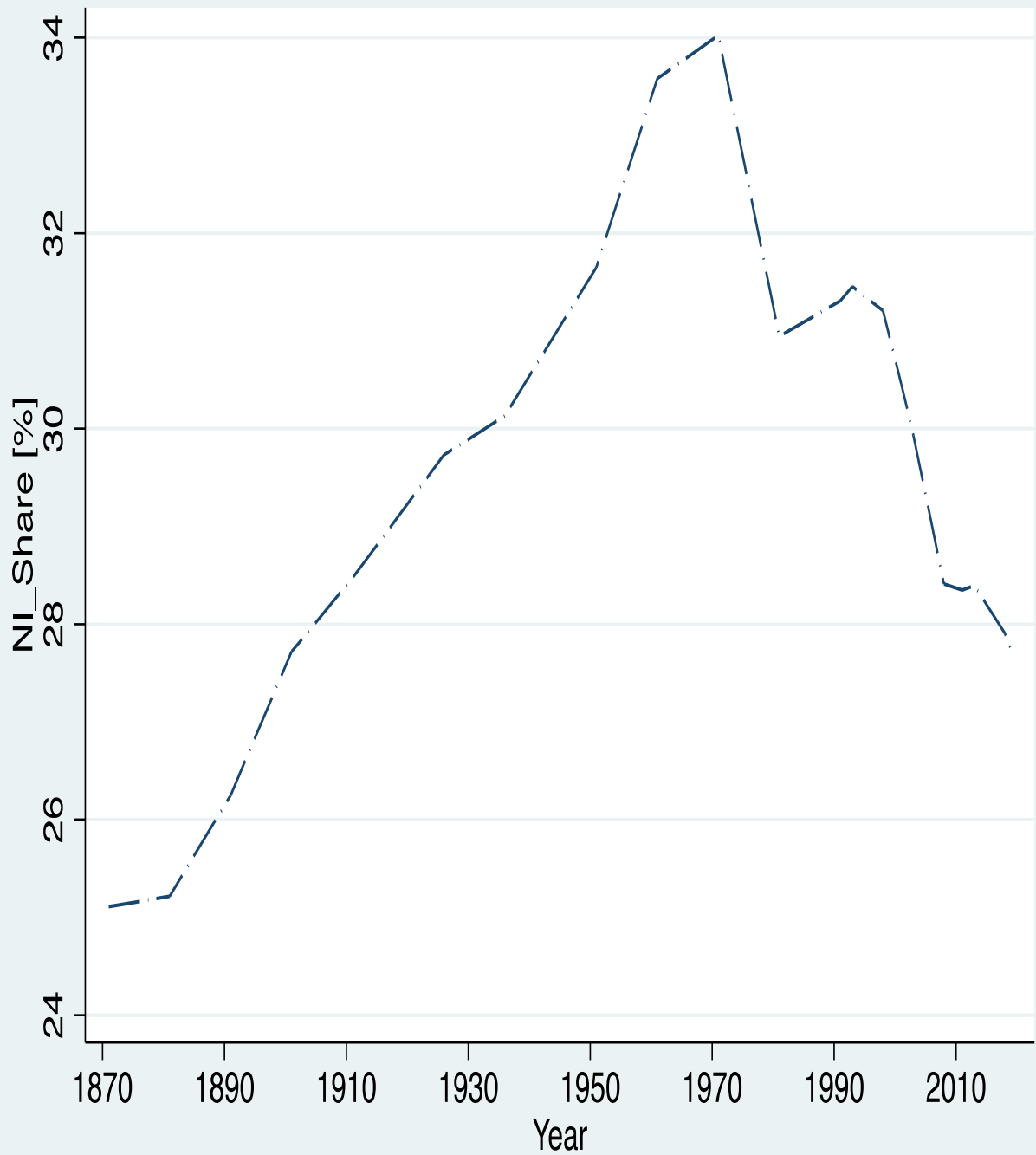
Source: FitzGerald and Kenny 2018/9

“It is hard to resist the conclusion... that Northern Ireland is worse off economically than it would be if... the semblance of self-government were removed.”

Isles & Cuthbert [1955]

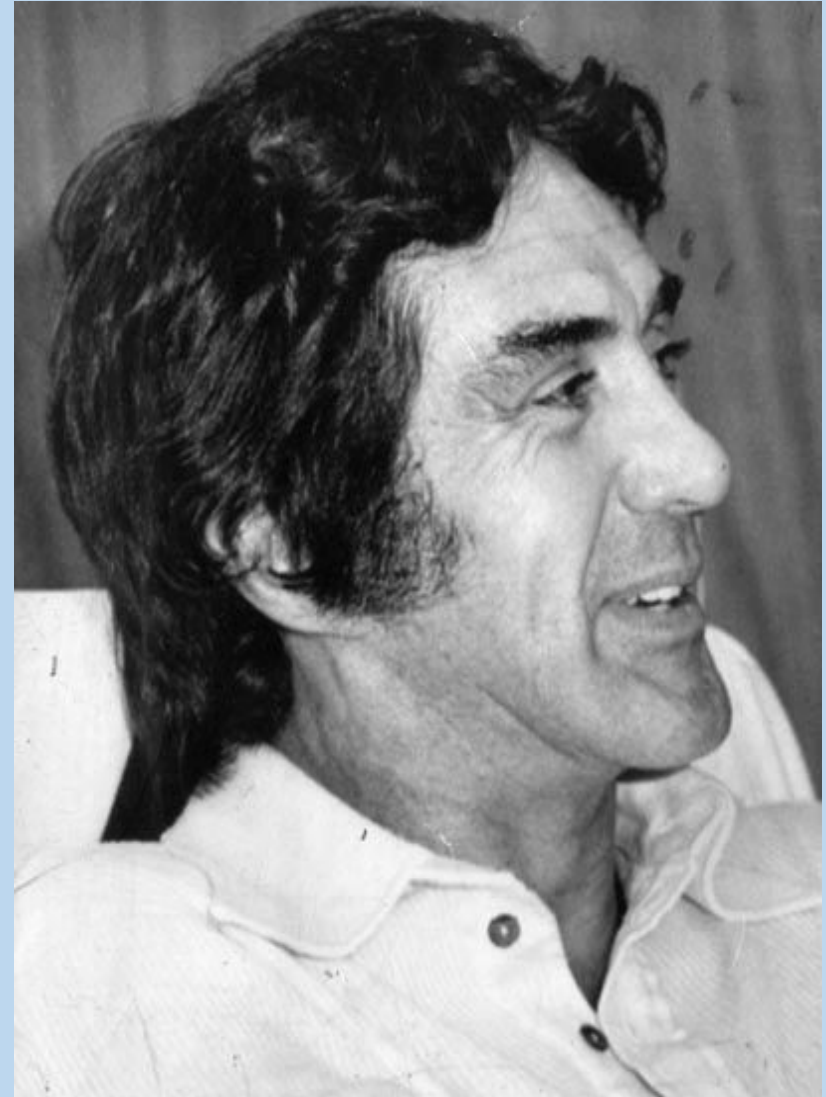
“After 35 years of native government people are asking whether we can achieve an acceptable degree of economic progress.”

T. K. Whitaker [1957]





Henry Ford



John De Lorean

In late 1920s Ford briefly biggest manufacturing employer in IFS. Then tariff protection.

In late 1970s De Lorean fleetingly employed 2,500 workers in NI. Plant ceased production after <2 years. Only 6,000 DMC-12s sold during lifetime of DMC.

Ford cost Irish exchequer nothing. DeLorean cost HM Treasury £80 million (£13,000 per car).

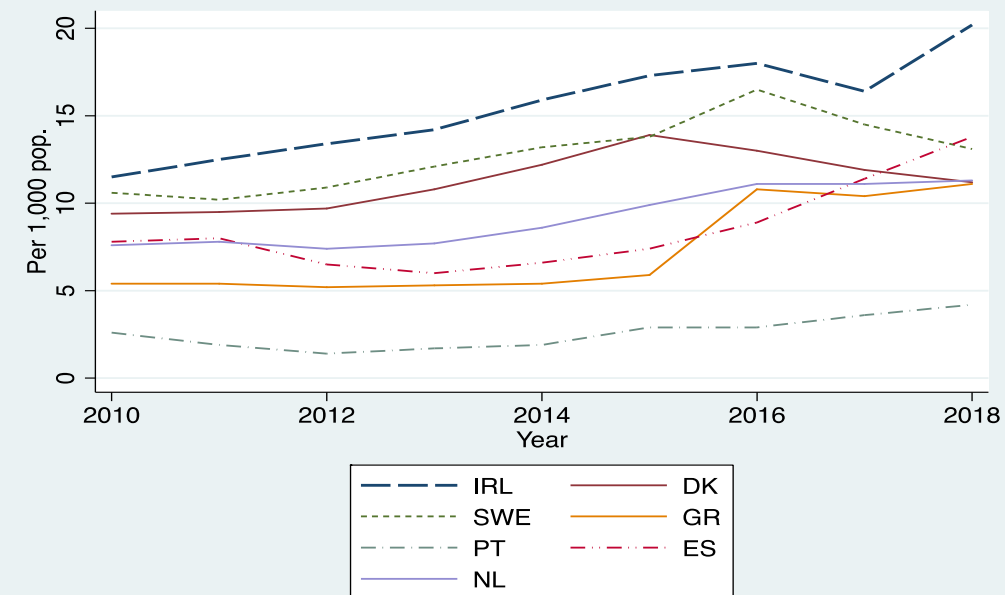
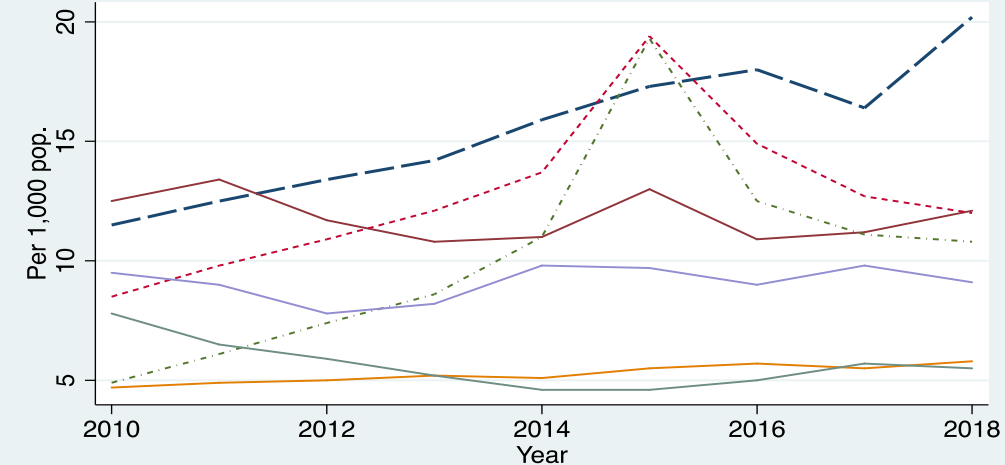
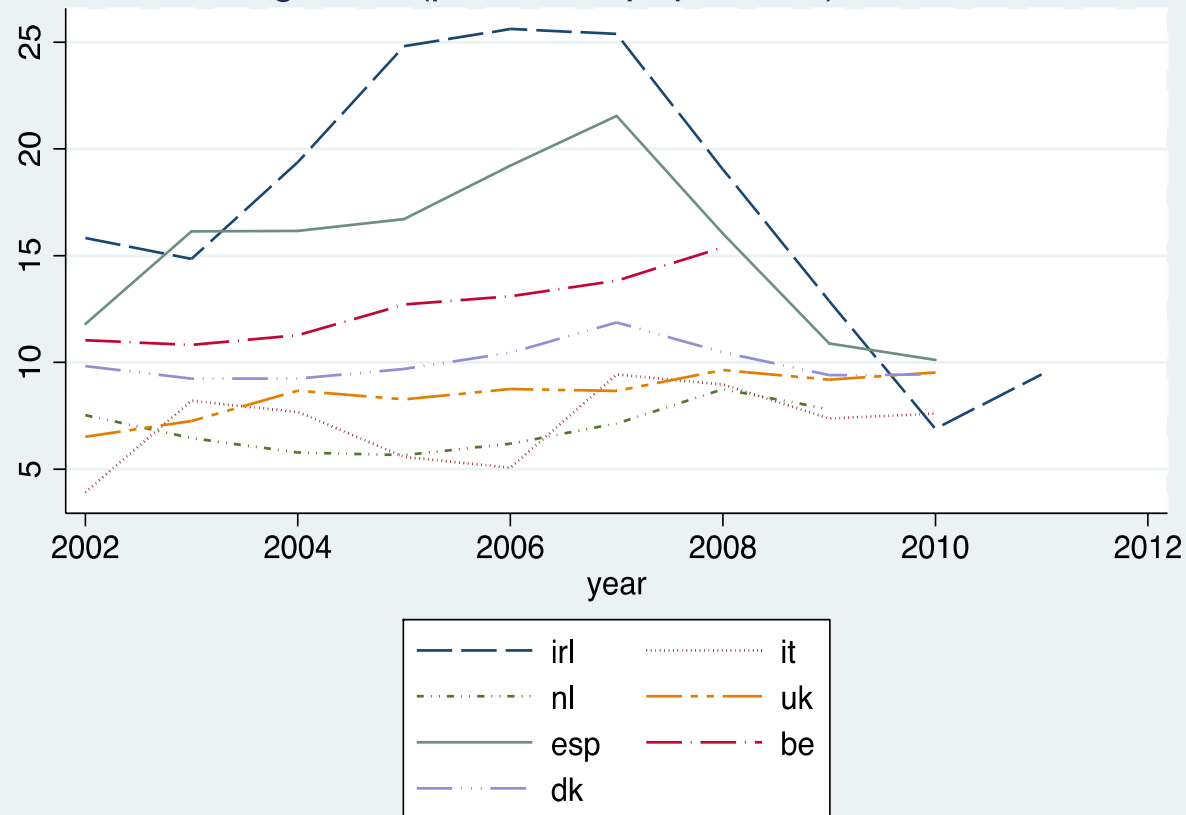
<i>Indicator</i>	<i>NI</i>	<i>GB</i>	<i>Scotland</i>
Personal cons.	92	120	111
Govt cons.	145	128	149
All cons.	104	121	119
GDP	58	75	70
GNI	74	95	88

Relative Standard of Living, 2016
(Ireland = 100)

Source: FitzGerald and Morgenroth, 'Northern Ireland economy'.

‘A Nation of Immigrants’

Immigration (per 1,000 population) 2002-2011



“Other EU citizens are free to live and work in Northern Ireland. How welcome is this to you personally?” [%]

Nation- ality	Very Welcome	Fairly Welcome	Mid	Fairly Unwelc	Very Unwelc	D/N	Total
British	26	33	25	11	5	1	411
Irish	46	27	18	6	3	0	343
NI/Ulster	45	32	17	4	2	1	349
Other	69	19	10	2	0	1	105
Total	41	30	19	7	3	1	1208

Source: NILT 2016

Salience of Immigration:

- Portugal:
- October 2019 poll, *Partido Nacional Renovador* [0.3%]
- Jan 2021 presidential election, *Chega* [11.9%]



- Spain:
- Polling before Oct 2018 [0-3%]
- April 2019 election, *Vox* [10.3%]
- Poll, 17-20 Feb, *Vox* [18.4%]
- Catalonia, 14 Feb, *Vox* [7.7%]
- Iceland, Ireland: None ... yet [?] ... UK?



Sin agaibh é ...

That's it ...

Gura maith agaibh!

Thanks!