



Ireland in the World-System: An Interview with Denis O'Hearn

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Abstract

*In this interview, Denis O'Hearn presents his views of Ireland's historical and contemporary status in the capitalist world-system and which countries Ireland could be profitably compared with. He discusses how Ireland has changed since the publication of his well-known work on *The Atlantic Economy* (2001) and addresses questions related to the European Union and the looming break-up of Britain as well as contemporary Irish politics on both sides of the border. O'Hearn also touches on the current state of Irish academia.*

Keywords: Ireland, United Kingdom, European Union, World-System, Historiography, Sociology



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Denis O’Hearn has long pioneered the use of world-systems and dependency theory for historical and contemporary understandings of Ireland, most notably in his award-winning work *The Atlantic Economy: Britain, the US, and Ireland* (Manchester: Manchester University Press, 2001). In this interview with Prof. O’Hearn, we invited him to discuss the major themes of our symposium — Ireland’s status in the global capitalist economy, relations with both the United Kingdom and the European Union, and the limits of mainstream academic analysis in Ireland. Thus, as well as acting as a capstone to our symposium, we also intend this interview to highlight not only the importance of world-systems analysis for Irish studies, but also the relevance of Ireland for world-systems theorists.

Aidan Beatty, Sharae Deckard, Maurice Coakley (ASM): Is Ireland a semi-periphery? What are the dis/advantages of understanding Ireland as a periphery and a semi-periphery? Are there regional variations? What are your views of Giovanni Arrighi’s contention that GNP should be the measure for assessing a country as a periphery or a semi-periphery?

Denis O’Hearn (DO): Yes, to the extent that we can define countries as “peripheral” or “semi-peripheral,” Ireland belongs firmly in the semi-periphery. I say this mainly because of its extreme dependence on foreign investment and because of the distortions that creates in the Irish economy and in Irish development prospects. The two most distinct aspects of this in recent history have been the huge gaps between GDP and GNP, caused largely by TNC profit-repatriations, and the post-tiger construction bubble that was wrongly interpreted by most economists as a “soft-landing” from the period of high growth in the 1990s. Of course, when we apply world-systemic terms such as “semiperiphery” we must always add an asterisk. First, each semiperipheral zone is distinct both in its place within the global division of labor and in its relationships to core areas. Proponents of the method of incorporating comparison, as Dale Tomich and others have reminded us, regard the world-system as a self-forming whole that is formed and reformed by the ever-changing relations between its parts. Peripheral and semiperipheral zones are not simply acted upon but are constantly casting and recasting bargains with core states and corporations, in ongoing relationships in which they are less powerful but not powerless. Second, there are regional variations; not only are agrarian regions of the island of Ireland distinct from urban and more industrialized regions but each region has its own specificities. It may seem obvious to say it, but Kerry is not Donegal, nor is Cork Dublin.

This was one of the main points Arrighi was making in his classic article with Jessica Drangel, where he showed that the world-system is comprised of countries that cluster into three distinct groups measured by GNP per capita (at least they did at the time the article was written).

But he did not *define* the zones in this way, rather they cluster by income because of the distinct structural characteristics of each zone. In particular, economic activities in semiperipheral zones are a mix of core and peripheral ones and as a result they are on average less profitable than the core but more profitable than the periphery; they are less technology-intensive than the core; and wage incomes are generally lower. Semiperipheral zones or countries within them are thus not in transition from periphery to core, as modernizationists would propose, but are structured in the middle. As Arrighi and Drangel put it, economic activities are structured in commodity chains that cut across state boundaries and this results in the semiperipheral mix of core and peripheral activities. Ireland is unique, however, in the degree of dualism of its economy, in the extreme domination of transnational capital in manufacturing and some services, on one hand, and traditional agriculture on the other.

Of course, some of the indicators of coreness are where Ireland has supposedly been “different.” For example, as we saw so distinctly in the Celtic Tiger period but even before and after, Ireland had dramatically high profit rates in manufacturing. Indeed, they were far higher than those of core countries. Irish manufacturing also seemed to be dominated by high-tech firms and products, again moreso than core economies. But did this mean that the island was not semiperipheral? Here is where world-systems categories like semiperiphery are quite useful. Even at the point where the south of Ireland had surged dramatically from one of the “poor men” of Europe to the second-highest EU country in terms of GDP per capita, one could pick apart its “profit rates” and its “high tech” character and see that they were largely illusions caused by the economy’s extreme dependence on U.S. capital. Yes, profit rates were extremely high in the U.S. pharma and computer sectors, but that was largely because of practices like transfer-pricing and the fruits of such profit rates were largely lost through repatriation.

As an interesting sidenote, the illusion of coreness in Ireland was partly produced by a statistical accident: the decision by Eurostat and others to use GDP rather than GNP as the basic measure of economic status. This made Ireland appear to be up to a third wealthier than it actually was.

And one final point while we are on this subject: nobody seems to ever learn any lessons from this. Lately, the U.S. media has been reporting on U.S. corporate “inversions,” a practice by which big U.S. companies buy out smaller Irish companies like the pharma company Allergan and relocate their corporate headquarters to Ireland in order to take advantage of low Irish taxes on taxes. They have been reporting this as if it is a new thing but, of course, we have been talking and writing about such corporate tax-evading practices at least since the 1970s. It seems to be characteristic of business reportage on the semiperiphery that no one ever learns anything. The media go to the same group of “experts” who failed to see a recession or a bailout coming to find

out why the recession happened and how it will be fixed! Few people want real explanation, just the same old failed superficial answers.

ASM: What other countries/situations are you most inclined to compare Ireland to? What are your views of academic analyses of Ireland, particularly of the revisionist school of historiography?

DO: The answer to this question depends on the dimension of social reality or history we are interested in. Economically, Ireland is quite unique. If you look at measures of dependency, “globalization,” “openness,” or such things, no other country even comes close to Ireland in recent times. This is one reason why all the hype about the Celtic Tiger was just that...hype. For a time, you had Irish “experts” going all around the world, especially to Central and Eastern Europe, telling people how they could also become tigers, like Ireland. But it was all absurd! As I kept telling people, Ireland received something like 40 percent of high tech manufacturing investment into the EU with one percent of the population. This meant two things. First, the flow of inward investments had a much bigger effect on growth in a small country like Ireland than it could have in a larger country, even Hungary or a Czech Republic. Second, if Ireland was getting 40 percent and Britain another 40 percent of inward investment, where would the investment come from that was supposed to make all those East European tigers?! There is only one hundred percent in a hundred percent.

Then, when we get to the crisis, things are different, as well. In the most recent crisis, for instance, Ireland suffered from a specific disease of corruption, construction, and speculation that masked its true economic weakness for five or six years. While some local fat cats were getting rich in a phantom construction sector, transnational corporations were actually disinvesting. That bubble finally burst at about the same time as it burst in Iceland, Greece, and elsewhere. But the Irish bubble was a different and quite specific bubble from Iceland or Greece. So comparison is instructive but one has to be very careful to specify what one is comparing and, especially, the points of difference between Ireland and other places.

Historically, comparison is very interesting but again in a particular way. Ireland, as the first colony, played a very unique role in the British-led Atlantic economy. It was an important mediation point between England and the Caribbean and North America. But other characteristics of the colonial relationship are very important in a different sense for historical comparison.

Take the Famine. Ireland is important comparatively *not* because its famine is like other famines, except to the extent that it was created by imperialism. As Mike Davis shows in his wonderful book *Late Victorian Holocausts*, Ireland is important because it was a test run for subsequent famines by which England and other European powers “created” the Third World. The

same is true of the policy of surrender and regrant, by which clan lands were turned into private property and indirect rule was established in parts of Ireland. Again, Ireland was a guinea pig for policies that England used throughout empire. And then later, of course, the use of interrogation and surveillance techniques in the North of Ireland was a testing ground for Brixton and other poor parts of Britain, as well as for “wars on terror” around the world. *And* during the late 1970s up to the 1981 hunger strike, the use of long-term prison isolation against political prisoners was a template that was later used by the United States and Turkey, among others. Of course, this kind of policy-testing using “worthless” lives goes on all over the world, not least in medical testing in the Global South but also among poor populations of core countries. I think it is in these indirect policy comparisons that Ireland is most interesting in a historical context.

That brings us to your question about historical revisionism in Ireland. Obviously, I have big problems with this school of Irish historiography, which should more accurately be called historical negationism because its purpose is the denial of colonial and imperial oppressions of the Irish people. I was always surprised by the use of this term in the Irish context because in other places, like Africa, “revisionism” meant widening the net to use more and different kinds of evidence to address historical questions. It meant that the historian could use oral narratives and songs as data. It meant that the historian was expected to consider creative ways of “doing history from the bottom up,” as the U.S. historian Staughton Lynd puts it. Think of all the beautiful histories and cultural studies that have been enabled by this kind of thinking. One of the most enlightening studies I know is Keith Basso’s book on the Apache, *Wisdom Sits in Places*. It is all about the use of oral wisdom to understand the past and the present, and to address the future. In his magisterial work *The Art of Not Being Governed*, James Scott even argues that people may refuse literacy as a strategy to maintain their autonomy. Recording and measuring are the means by which states establish control over previously autonomous people. In such contexts, uses of oral data are critical.

But in Ireland we had “revisionist” historians telling us that this kind of data was invalid, that you could only believe data if it was written down. There are even studies of the Irish diaspora that claim special relevance because they use written letters by emigrants as data. I mean, what proportion of emigrants before the twentieth century could write home to provide their histories? This kind of thing is not just crazy, it is class biased. It is the history of the literate, which means history written from above. Boaventura de Sousa Santos talks of the “sociology of absences and emergences,” by which he means we have a duty to reclaim as real those experiences that have been discarded by the mainstream social sciences because they do not fit into their conceptions of “economy” or “society.” Moreover, we must see as “possible” many things that mainstream social sciences have continually called impossible, including utopia and communism and statelessness.

Thankfully, we also have a strong tradition of historiography in Ireland that recognizes such absences and emergences. I think, for example, of Jane Gray's use of songs and poetry in Ulster Scots to recreate the gendered lives of spinners and weavers in protoindustrial Ireland. I have tried to follow such a "sociology of absences and emergences" in my work on Irish political prisoners and in subsequent work on isolated prisoners in U.S. prisons like California's Pelican Bay. Rather than accepting the orthodox definitions of these prisoners as terrorists, in the Irish case, or gang leaders, in the United States, I have tried to understand them as full political subjects and, moreover, to recognize the lessons they have provided about how to build societies based on maximum participation, direct democracy, solidarity, and mutual aid.

If Irish historical revisionism did us a service, however, it was to force us to reconsider our analyses of colonialism and imperialism. In particular, it did challenge certain forms of knee-jerk nationalism that were just as superficial as orthodox economic histories. Thus, whenever I tried to place Ireland in the historical capitalist world-system, as in my book *The Atlantic Economy* or in my work on the Irish and English cotton and linen industries, I faced a new challenge and I did feel a need to uncover data and archival sources that had not been used in traditional nationalist histories. I had to interpret them in new ways and with better techniques, including econometric estimators. We need to use every tool at our command, every source of data, from statistics to poetry, and perhaps some Irish revisionist works drove us harder to make better arguments and use data more rigorously.

ASM: In relation to your work on The Atlantic Economy, how has Ireland changed since you wrote that book? Has U.S. hegemony declined and what does that mean for Ireland?

DO: Well, Ireland has changed in some ways. The specifics of its relationships to and with world-capitalism and especially with the EU have evolved. I wouldn't say that U.S. hegemony has necessarily declined, but it has evolved and become more contradictory. For example, the United States has complicated its hegemony by overplaying certain military hands. It helped usher out the Soviet empire at the cost of creating an Islamic fundamentalism that is far more dangerous than any movement since the Second World War, although thankfully more localized than communism-as-it-actually-existed.

As for Ireland, it changed much more from the beginning of *Atlantic Economy* to the end of that study than it has changed since. Many of the key relationships that marked Irish dependency in the 1980s and 1990s are still there, particularly the overreliance on U.S. corporate investment. Perhaps the biggest change in the medium-term is political, including the fall-out of the peace process and the emergence of a new left political movement in Ireland. The Irish left is still not as

strong or as creative as Podemos in Spain or even Syriza in Greece but nonetheless it has at least the seeds of a challenge to Ireland as we have known it. I think at the end of *The Atlantic Economy* many people thought my analysis left Ireland in a dismal position, although I always argued for hope. Now, however, we live in a time of hope. This may sound strange to someone who focuses on the deep crisis we have just been through. But through crisis hope arose because more and more people began to see that another world is not only possible but necessary. We live in a time when a U.S. politician can run and be considered a serious contender for president *and* explicitly call himself a socialist. It is a time when people who refer to the one and the ninety-nine percent strike a chord right across the populations, not just of the Global South or Europe but even of the United States. So I think the biggest change since *The Atlantic Economy* is the return of hope and the promise of a new kind of politics.

ASM: What are your views of the European Union and the role it plays both in Ireland and elsewhere? What role do you see the EU taking in the future? What are your views of the past, present and future of the single currency?

DO: The EU has really gotten ugly of late (was it ever different?!). The raw use of power against the Greek people and the collapse, one might even say betrayal, of the hope that emerged with Syriza in their defiance against Berlin was a salutary lesson to progressives all over Europe. Tahrir took a few years to disappoint us but Greece deflated us overnight...from victory to despair! The EU has simply become more dictatorial, its economics have become more and more orthodox, and the collapse of any hint of progressivism in social democracy, including its overweening concern for macroeconomic orthodoxy over social welfare, has left little doubt about what the EU project is all about. The EU as an institution will be of little help to Ireland at least in the short run.

But solidarity with the people of Europe has never been more important than now. There are movements that present the hope of a new kind of politics. Here I refer not so much to national-level parties like Podemos—we have been betrayed by all kinds of political parties before. What is important are new ideas of politics, particularly the involvement of people at the grassroots and new emerging forms of local governance, as in Spain. All over the world, especially in poor suburbs of cities and in some rural areas, people are organizing new autonomous institutions of direct democracy and new economic practices that are based on self-management and mutual aid rather than profit before people. These things are still small and growing but there is no reason why more of them cannot happen in Europe and Ireland as they are happening elsewhere.

As for the single currency, it may sound somewhat cynical, but it is what it is. A lot of people on the left spent a lot of time fighting against and then worrying about the single currency,

whether it would survive or should fall, or whether the EU would become a two-tier society. Of course, it already is at least two-tier, both class-wise and regionally. Obviously, the single currency is a source of power for the core of Europe and expulsion from the Euro is a threat that can be used against peripheral countries. But I think there are better and more fruitful struggles to engage.

ASM: What are your views of the Republic today? What role does Financialization play in Ireland's status in the global economy? What links and parallels, if any, do you see between Ireland and the PIIGS [Portugal, Ireland, Italy, Greece, and Spain]? Why have things played out here differently in Ireland than elsewhere, since 2008, particularly in relation to anti-austerity protests?

DO: You'll excuse me if I begin by saying that we are still awaiting "the Republic"! But all kidding aside, I am interested to see the resuscitation of my "Celtic Tiger" analysis in the context of the crisis and post-crisis Ireland, and even by some of the more right-wing papers like the *Irish Sunday Independent*. A few people from across the political spectrum are asking some of the same questions about the hollowness of the dependent Irish economy that I and others, including Ronaldo Munck and Peadar Kirby, were asking for decades. Of course, financialization does play a role but it has been overestimated in many analyses of economic change. In particular, the key factors in the Irish economy are still tied to international productive sectors and particularly to the economy's dependence on U.S. capital. Yes, financial capital has played a role but mostly an additive one that makes crises even more severe than they would have been anyway, and that changes the timing of crises. Financialization is largely a way that capital seeks profitable outlets for the economic surplus when there is insufficient demand or opportunity for productive investments. TNC disinvestments from Ireland were already occurring from 2001 but then all kinds of strange financial manoeuvres enabled corrupt Irish speculators to keep the domestic economy profitable for them until the whole thing crashed five-to-seven years later. So-called financialization did not cause the crash but it postponed, lengthened, and deepened it.

When we talk about what drives economic cycles in Ireland we should be talking mainly about productive corporations and especially U.S. corporations, and about demand. Even those corporations that appear to be "dematerialized," as some popular accounts like to assert, are highly material. Google's product may be "dematerial" in a sense but look at the vast amounts of water and other resources they use in "producing" their main product. And look at the crucial role Google plays in the material economy, from advertising to logistics to sales. I have always been suspicious of approaches that either downplay the material aspects of economy or which try to focus on one "leading sector," particularly *haute finance*, as the center of the world-economy. As much as I love

Arrighi's *Long Twentieth Century*, his focus on finance was never any more convincing than Stephen Bunker's focus on economies of scale and scope in the transport of raw materials as the driver of hegemony...probably even less convincing.

As for the PIIGS, as I have already indicated, the dependent nature of Ireland is quite specific and therefore so are the causes of its recurrent economic crises. Yet the whole European periphery suffers from the orthodox policies that emerge from the Eurocore. The central insistence on putting balanced budgets above social welfare forced austerity measures throughout the EU periphery, so everyone suffers from that. And the measures that are forced on peripheral EU states through bailout agreements increase the pressures against the poor. The only Keynesian measures adopted are those that are designed to save banks and financial institutions from their own profligacy and corruption. As a result, all of the PIIGS including Ireland continue to have by far the highest poverty rates in the pre-1989 EU and these poverty rates are the least ameliorated by social transfers. So it is the impact of austerity rather than the source of crisis that is general across the PIIGS.

ASM: What is your current assessment of politics in both the Republic and Northern Ireland? What do you see as likely future developments? How might political changes affect academic analysis of Ireland?

DO: I think left alternatives are important at the national level and I am heartened by the emergence of more solid left movements throughout Ireland, including Sinn Féin. I hope the current left alternatives prove to be more trustworthy than previous ones, which collapsed into moribund mainstream *non*-alternatives like the Irish Labour Party. But I am increasingly convinced that the heart of future politics is not in electoral parties and processes. It is in the people. Real politics that will change society is built in everyday life in communities. The most important change of politics world-wide in the last twenty years is the revival of anarchism, and especially the beginnings of a dialog between Marxism and anarchism. Marxism tells us a lot about capitalism, crisis, and the nature of states, institutions, class relations and other unequal relations in capitalism. But it has not had a lot to say about what the historian Fernand Braudel refers to as "material life," that huge sector of life into which capitalism tries to sink its roots but is largely unable to do so. We forget how much of our lives we live outside of and even in opposition to capitalism. As my colleague Andrej Grubacic and I put it, we live much of our lives on the edges of capitalism.

Many of the things we work hardest at are things that we enjoy doing together with others. This is the unpaid "work" of building community, efforts that mainstream society does not consider work because they do not receive a wage, even though we exert much time and sweat

doing them. Indeed, we work harder and with more dedication doing things for which we receive no wages than the so-called “work” we do in formal employment. And when we do these things we are making directly democratic decisions about how our lives and our communities will be structured. I think the future of “politics” in Ireland as everywhere else in the world lies in building these everyday relations of life, to the point where more and more things are done outside of capitalist processes of accumulation or state institutions, and more of our time and energies are spent doing things for each other than doing things for someone else’s profits. In academic analysis, this kind of thought is gaining ground. Every year more Chomskys and John Holloways and James Scotts appear in the academy and elsewhere. That is the real future of politics.

ASM: Where does Northern Ireland fit into your current views of global political-economy?

DO: It doesn’t. It is an anomaly, a relic. Of course, there are many other anomalies in the world, including the Islamic State and Saudi Arabia, yet we have to take them into account because they do have impact in international politics. But as I have said, the main role of Northern Ireland, as was the whole island of Ireland before partition, has been a testing ground for security policies and technologies, political strategies, and so on. And of course the North before the peace process was also a hugely important example of resistance to people all around the world. And I suppose the peace process has been an important policy experiment, especially in ways of pacifying populations without affecting any real political change. But I think Northern Ireland’s days are numbered.

ASM: What does the potential of Scottish independence (and perhaps also the general break up of the United Kingdom) mean for Northern Ireland? And what might it mean for the Republic?

DO: I have long held that Scotland not Northern Ireland is the key weakness of Britain. It is also a key to Irish unity. Northern Unionism is based on the historical Scots-Irish connection. How can northern Unionists maintain their loyalty to a Union and a monarchy that no longer includes their ancestors? Scotland will probably exit the union before the north of Ireland does. Then it all comes crashing down...or, at least it should. The so-called United Kingdom has been a forced anomaly for too long and the sooner it is gone, the better.

But then the real work begins. Whether we are talking about Ireland or the Basque Country or Catalonia or Kurdistan the real question is not about what kind of state the people of those regions must endure but what kind of democracy they can build. So for the Republic, or for Scotland or even England for that matter, unity will clear the national problem off of the table and new questions about democracy and representation can finally emerge. We can finally get onto the

real business of building horizontal institutions of governance in which people take a more active role and have a direct say in how their communities are run, and not just the right to vote in barely meaningful elections. We can forget about questions of nation and instead work at building community, at building relations of mutual aid in those communities, and in that way building a new future that does not depend on nation-states or on the uneven economic and power relations in the interstate system or its regional groupings like the EU. Even as we seek national rights we can begin building these relations of mutual aid and community. It is happening already among Kurds in Rojava. They are not waiting to overthrow the Turkish or the Syrian state but are just building today the kind of society they want to have in the future. At the same time they are building Kurdistan. Could Celts in Ireland, Scotland, and elsewhere learn from this? Maybe so.

About the Author

Denis O'Hearn was trained as an economist and sociologist at the University of Michigan, where he received his Ph.D. in 1988. He worked for a number of years in the Sociology Department at the University of Wisconsin - Madison, where he was Associate Professor, and at Queens University Belfast, where he was Professor of Economic Change. He has been Fulbright Professor of Sociology at University College Dublin and visiting scholar at several universities in the US, Europe and Japan. He is currently a Professor at SUNY-Binghamton. His scholarly interests are in the sociology of economic change, Marxian and anarchist political economy, imprisonment, and exilic societies. He has published extensively in journals such as the *American Journal of Sociology*, *American Sociological Review*, *Social Problems*, *Politics & Society*, *British Sociological Review*, and elsewhere. His biography of Bobby Sands, *Nothing but an Unfinished Song* has appeared in multiple English editions and in French, Basque, Turkish, and Italian. His books have received many awards including the International Award 'Citta 'di Cassino Letterature dal Fronte,' Italy; the Alessandro Tassoni Prize, Italy; and the American Sociological Association PEWS Distinguished Scholarship Award. His latest book, with Andrej Grubic, is *Living at the Edges of Capitalism: Adventures in Exile and Mutual Aid* (University of California Press, 2016).

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