



Loose Ends:

Considerations on the Aftermaths of the Celtic Tiger and the Northern 'Troubles'

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"If you wish to know what the spirit of conquest, religious hatred, combined with all the abuses of aristocracy without any of its advantages, can produce, come to Ireland." - Alexis de Tocqueville, 1835¹

"I remember when the market took off, about 1988/89 . . . We'd no idea it was going to escalate into what it did. Nobody had experienced the type of boom that came. There was a lot of money made in that period. People who cashed in did very well." - An Irish auctioneer, 2005²



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From the imperially imposed destitution rued by aristocratic iconoclasts Tocqueville and Beaumont to the epic financial meltdown imposed by domestic quasi-aristocratic bankers and

¹ Larkin, 1990: 26; Beaumont, 1839.

² MacIntyre, 2005: 161-162.

allied insiders is quite a rocky journey, but one with steady themes: deference to authority, comprador capitulation to external forces, celebration of the conventional, and exclusion or erasure of anyone the least bit critical of elite schemes.³ By the look of things, the Celtic Tiger, defunct or not, is still digesting its critics. The upshot of the Tiger era was not a presumably desired deepening (after a Rostovian “take-off” in the 1960s) of a vibrant, if mostly foreign, manufacturing base and a widening of prosperity, but resort instead to conjuring money out of thin air just long enough for the slickest operators to cash in.⁴ In retrospect, and even at the time, it is hard to credit the notion that defeat was snatched from the jaws of victory in the developmental quest, a debacle, given who was in charge, was always in the cards.⁵

Progress in Ireland is all too aptly signified in the serpent Ouroboros swallowing its own tail — especially in the dispiriting sense of symbolizing a cyclical return (Jung 1968). Ireland has been thrust not back to proverbial “square one” where the citizenry can radically reconsider the socio-economic enterprise and how to go forward from here; instead middleman elites, as McCabe terms them, defiantly pressed the reset button on what should be a discredited model. As the “success narrative” of the tiger years fades into recriminatory nothingness, one hopes it is true that “a debate started in earnest as to whether we managed collectively to delude ourselves over the last number of years,” despite a power structure that has not budged one bit (Share and Corcoran 2013: 2, 3.). That one can name worse cases, such as Greece, is not comforting, as Coakley clearly shows.

Fintan O'Toole, Raymond Crotty, Paeder Kirby, Ronnie Munck, Jim Wickham and a host of scholars now arrayed around TASC sounded unheeded early warnings of misshapen development policies, and then in the 2000s of frothy financial legerdemain too (Jacobsen 1978, 1987, and 1994; Crotty 1985; Wickham 1987; Munck 1993; O'Hearn 1998; O'Toole 2003; Kirby 2002, 2008). Before the bubble burst Bertie Ahern, like Hamlet, dabbled with “self-slaughter” as a solution, at least for barking mad critics. Fear not for gatekeepers after the crash because no one gets punished for herd behavior in major institutions. The leaders plead they knew no one (who mattered) who raised grave questions about the developmental model or about the financial web of ghostly gossamer on which everything increasingly rested in the noughties. Irish academics too humbly even mock themselves for “operating at a safe remove from politics” when they were pointing out the economy rested on unstable ground (O'Connell 2012: 22). The core problem is

³ On the authoritarian strain in political culture see Ferriter, 2005.

⁴ “Deepening” entails fastening foreign firms more firmly into local supply networks, generating more Irish-owned industry, public or private, service or manufacturing. See Yean and Loke, 2011.

⁵ See O'Riain 2010, also O'Riain, 2013.

that just as gender patterns are seen as “reflecting essentialist and immutable realities,” so too is the world economy (O'Connor 2012: 60). It simply is out there and must be adjusted to. Structure rules all. On that point Celtic tiger proponents and critics seem agreed. Sod agency, unless it is an industrial development agency fine-tuning the terms of dependence.

Ireland from one end of the island to the other is the classic “policy taker” (versus “maker” or “breaker”) so far as the international order of predation is concerned, though there is no absurdity in Irish policy responses that was not manifested in mightier neoliberal powers like the United States and the UK (Krasner 1978). For decades financiers have been fashioning what is for them a utopian world without risk, which is not capitalism as the textbooks know it but a rigged game, ultimately protected and coddled by sympathetic politicians, judges, and administrators within the “competition state” (Ourossoff 2012). Will this preposterous free market fundamentalism ever become too threadbare to take seriously? What more calamitous events will it take? What screams from the bank bail-out experience is the “emperor's new clothes” observation that those in charge of the world economic system are busy doing their pious best to unravel it.

So ensued bailouts, austerity, and reinflation of bubbles in the United States, UK, and more widely the EU, in the service of shoring up banking systems that are themselves best described as toxic assets (Suskind 2011). In the Republic, symptomatically, a recent high-spirited volume “refuses to allow the next generation to accept the incarceration of thought that has captured its predecessor”—rejecting the “old official Ireland of banking oligarchs, social partnerships, mighty mandarins, and states monopolies”—and then trots out the same old “lean and mean” neoliberal nostrums (Burke and Lyons 2011). One cannot be blamed for yearning again for “the greatest growth in income per head over the period 1985-2010,” except that it hasn't sunk in that virtually all of it was bubble-based. It is not only decrepit Bourbons who forget nothing and learn nothing. Institutions resolutely close ranks during crises.

After relating a sour litany of scandals in finance, policing and political bribery in 1980s Ireland, keen investigators lamented that “institutions from *An Garda Síochána* to the Roman Catholic Church still operated on the basis that a scandal for the institution was worse than any infidelity to legal or moral standards” (Clifford and Coleman 2010: 198). Nothing, as Archbishop McQuaid reportedly stated after the liberalizing Second Vatican Council, has changed. Not if he could help it anyway. Not if they can help it now. McCullagh, like Coakley and McCabe, notes “discursive moments” in late 2008 when a self-serving elite diagnosis succeeded in blaming the entire Irish people, not bankers and speculators, for thinking up an infinitely complicated way to keep a stagnant system afloat on credit and exports. The key here is that you don't really have to fool people into believing a plainly silly story, you just have to fool people into thinking everyone

else believes the story, which is much easier and more disheartening for all those who otherwise might mount a challenge (Jacobsen 2008: 360-361).

The origins of this ideational and institutional stasis stem from thwarted revolutionary aspirations, which Foster, among many others, argues with ample if not clinching evidence was never likely in the 1916-23 epoch (Foster 2014: 329). Ernie O'Malley, cited in an essay above, serves as the 'median' Irish rebel, as unencumbered with social change aspirations as any politician or economist. O'Malley soon joined those who "rail against the new state for not delivering what they fought for." So, beyond independence, there was some inchoate vision of social betterment (Foster 2014: 309). O'Malley expressed scorn for "the convictions of purely revolutionary workers who stood outside the nationalist movement and a certain amusement at their arguments" (O'Malley 1936: 144). Yet even this arch-nationalist Republican admitted that "class distinctions would jut out, and our merging into what we were pleased to call 'the people' was a figment" (p. 317). O'Malley also credits the crucial and perhaps indispensable role of worker action for the success of the struggle, so far as it went, just as Kostick (2009) argues. It was not historically inevitable that labour "waited," but the consequences are immense.

O'Malley was not disposed to think far ahead, but plenty of others were. Figures like James Connolly or Peadar O'Donnell or George Gilmore are not fairly characterized as "prisoners of their own concepts," but were more aware of their constraints than critics seem to be of their own biases. (The Gerty McDowell image fails to "reverse the gaze" and consider that it is her beach companions who seem most locked into a self-stunting swirl, not her.)⁶ Peadar O'Donnell's nationalism was the antithesis of bourgeois nationalism, which his opponents appreciated well enough to want to shoot him for the difference. Translating socialist principles into locally applicable terms is a legitimate activity, which has had its successes elsewhere. The argument by English, Grant and predecessors regarding the "theoretical inconsistencies of mixing republicanism with socialism" portrays this task as a kind of crime of intellectual miscegenation (like mixing Marx and Freud, which engendered many fascinating works), and is just as foolish and fruitless as opposition to any other form of miscegenation.⁷

So what is to be done? Pity the poor developmental state. The formidable task of "getting it right" regarding the coordination (and/or lucky confluence) of international conditions, domestic coalition formation, and suitable institutional structure is a work that is never quite done. Neoliberalism imposes daunting, if not impossible, conditions. What were advantageous arrangements yesterday can burden or obstruct one unduly today. There's no resting on laurels

⁶ For defenses of Gerty in this vein see Ross (2009) and Sondergard (2011).

⁷ Grant, 2012: 223; English 1994. Grant allows for adaptability but implies this is somehow cheating.

because, as O’Riain, and countless preceding scholars observe, development is “a politically contested process that generates continuous, albeit different, challenges as it unfolds” (2004: 125). Pragmatism, a word people rarely quibble with, was interpreted to best serve the mission, as Albert Reynolds stated in 1989, “to evolve, and apply policy so as to underpin rather than undermine growth prospects” (Boss 2011: 120). The Celtic tiger carefully eschewed the *dirigiste* element that deepened success for some Asian counterparts. The Irish polity, like Anglo-American counterparts, also was heartily disinclined to redistribute benefits to the less well-connected (Connolly 2006: 2). High growth—regardless of the ‘black hole’—teamed up with rising income inequality, a stinginess regarding welfare, and a surge in “virulent racism” on both sides of the border toward immigrants (O’Riain 2004: 63; Kinealy 2010: 317).

The developmental ideal of “self-reproducing dynamics” was elusive because no one seriously pursued it. After the *Telesis Report* in 1982 sounded the tocsin about overreliance on the multinationals, the Irish Republic refashioned itself into what O’Riain termed a “developmental network state” whose purported objective was to thread foreign investment more securely into the economy, cultivate local enterprise, and deepen their connections. Irish growth also was based on a willing coalition that other analysts call neo-corporatism or a “cognitively locked social partnership,” espousing what O’Riain nicely terms “solidarity without equality” (Murphy 2008). Contrary to business hype, the sources of Ireland’s 1990s “takeoff” lay in foreign investor enticements, public sector spending, and a hefty influx of EU structural funds to shore up infrastructure. There is latitude for institutional experiment here and supple state institutions can influence the character of the market they operate in, even though O’Riain comes perilously close in all his work to a social constructivist claim that capitalism only is what states make of it.

The analytical upshot is that the “power of the global economy is not determining—the analysis shows that there is significant room for politics”—a lesson repeatedly noted from Fernando Cardoso in the 1970s stretching to yours truly in the 1990s (O’Riain 2004; Cardoso and Faletto 1979; Jacobsen 1994). Yet the point bears repeating. O’Riain, like other critics, shows how economic success, as understood by its main myopic beneficiaries, undermines the very institutional supports that make the system work in the first place. “If the institutions of the Celtic Tiger could generate the results they did in face of domestic neoliberal populism and an international order hostile to state and social shaping of economic life, what might they achieve given a more supportive political order?” (2004: 11). Good question.

Financialization means making money from money rather than from production (in the absence of sufficient demand and investment opportunities); it is devising, exploiting, and gorging on arcane pecuniary devices and getting away with it, even when failing (Salverda 2015; Hudson 2015). With so much spare cash seeking investible outlets one might imagine investors would be

in a disadvantageous position and be eager to go along with any productive scheme public authorities propose. Such was not the case. What Cerny (1997) termed the “competition state” edges itself away from the ordinary populace and places itself at the service of global firms and banks, trusting that everything would work out because there was no alternative. Kirby finds the Irish experience redolent of a “competition state with pockets of developmentalism” (2009: 19). Even those pockets look like grist for the next sell-off. The tally sheet on the waves of privatizations and public-private partnerships in the neighbouring UK has not been a happy one either, but they go on anyway.⁸ One path forward is a dispelling of the stubborn myth that valiant investors, and not state spending, always generate the conditions for productivity and prosperity, as Mazzucato most recently elaborated.⁹

As for the North, obfuscation was however regrettably crucial to achieve the Good Friday Agreement so that political figures could interpret it to their own communities in favorable ways. Stepping stone to the all-Island Republic or final recognition of the British link? Yet what an analyst alertly calls the Republican movement's “continuation of war by other means” slowly has gained the upper hand over recalcitrant working class loyalists (Bean 2011: 61, 62). Northern Ireland from 1997 onward has seen indefatigable foot-dragging, dissident Republican violence, escalation in house prices (until the crash), racist sprees by loyalist gangs, proliferation of so-called peace walls, and a power-sharing executive without much power to alleviate local economic pressures and under almost constant threat of collapse due to conflict between a resistant Sinn Féin and SDLP versus the leading conservative DUP over inflicting an austerity budget.

A pair of recent IRA-linked killings provided grist for an expedient effort by Unionist Parties to torpedo power-sharing again, but the peculiar reprisal—peculiar, given that the murder victims were former or active IRA members—was averted last November by the latest of many a last minute deal. In Northern Ireland more people are dying on the streets from homelessness than from political violence (*Belfast Telegraph* 2016). There is precious little sign that stringent economic conditions are uniting rather than alienating the communities. The inequalities that underlay the conflict have not gone away, though the Catholic community has made undeniable strides. The Catholic-Protestant gap is closing quickly in sheer demographics, but this trend predicts nothing as to the issue of unification since only a minority of Northern Catholics are interested in it. As McKearney observes, the political establishment in the Irish Republic, with a

⁸ The Treasury estimated the lifetime costs of Labour-era deals at 215 billion pounds, paying for deals with a capital value of between 55 and 65 billion pounds.' Toynbee and Walker, 2013: 117.

⁹ Mazzucato, 2013: 193. On the 'Sussex school' of technology and economics from which her analysis hails, see Jacobsen 1992.

wary eye as well on constitutional Sinn Féin, is in no more a hurry now than it was earlier to integrate a million plus discontented Loyalists into a single political structure (McKittrick and McVea 2000; Coakley 2002; Tonge 2005).

Conclusion

The argument that “state-centric approaches ignore the fact that the national state can only exist within a larger system of states and institutions” is a cogent one so far as it goes (Smith and Kutz-Flamenbaum 2010: 211). Even the most conservative scholars of international political economy will agree heartily. The question is, how far? One brilliantly daffy theory I heard spun long ago in an Irish pub was that we all come into life with a mission to move half the distance away from our instinctive natures if we are to be fulfilled, content, or even just sane. If you are extroverted, move toward introversion; if introverted go toward extroversion. Everyone is thus encumbered with a difficult task. This is no less the case for analyzing how international forces affect nation-states through the interpretive (and interest-laden) lenses of domestic groups, at least those who manage to achieve a say in how the state responds.

The Irish Republic's February 2016 election, sorting itself out among players as of this writing, can reasonably be seen, regardless of the eventual governing arrangement, as a spectacle of a stark yet muffled repudiation of mainstream parties and of neoliberal economic policy (Walsh 2016). The two major centrist “civil war parties” Fianna Fail and Fine Gael barely got a majority of the vote, which is a remarkable drop from their standard post-independence 80% range (Loscher 2016). Irish Labour's self-immolation in yet another ill-advised coalition (30 of 37 seats lost) leaves the field to a confused if potentially formidable opposition of scattered leftists and independents. One task today is generating a movement for an “alternative political economy”—one that does not privatize profits and socialize losses would do for a start—for which a recent TASC survey indicates immense latent popular support (TASC 2014). A related task is finding the economic policy equivalent of Andre Gorz’ “non-reform reforms” for guiding the next phase. From Tocqueville to the present an emphatic “lack of a moral tie between rich and poor” remains the case, and indeed is required for increasingly feral finance capital to expand.

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