Ireland before and after accession to the European Union

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9. Ireland Pre and Post-European Union Accession

Maurice FitzGerald

The last quarter of the twentieth century saw a complete transformation in Ireland’s economic and social fortunes. While not ignoring the fact that serious problems have had to be confronted in the intervening period since it acceded to the European Economic Community in 1973, a major metamorphosis – both in mind and deed – has taken place. Until the early/mid-1990s, the possibility of a Celtic tiger existing would have been dismissed as a grand delusion. Instead, as it enters the twenty-first century, Ireland could hardly contrast more with the autarkic portrayal drawn at the height of the Second World War of a ‘people ... satisfied with frugal comfort’ (Moynihan, 1980, p. 466). The Irish were not content with this lack of ambition; a more positive vision, coupled with realizable goals, was necessary. But negotiating a clear and steady path towards realizing the dream of more fulsome comfort has not always been easy. In fact, the process of change in Ireland’s economy and society was uneven, and a considerable number of important matters remain unresolved.

If any event in contemporary Irish history were to be considered a watershed, it would have to be entry into the EEC. During the second half of the twentieth century, not only did Irish society mature, but the country also went from being economically dependent on the United Kingdom to being interdependent within the European Union. The change in traditional outlook and relations was financial and psychological; it has come to be exemplified by a buoyant economy and a people who are confident in the role they now play at home and abroad. Changing migration patterns illustrate that traditional sets of relations do not hold true anymore. Irish people no longer have to leave their native shores to make a living. Indeed, growing labour shortages in Ireland mean that companies increasingly source many of their employees from places that were the destinations of previous generations. The hemorrhaging effects of emigration have been reversed. A further obvious and unambiguous example of this phenomenon of shifting relationships is the fact that, 20 years after it left the sterling area, Ireland was one of the EU member states successfully operating in the euro-zone.

Radical change has not only occurred in the economic domain, it is visible in societal patterns as well, no more so than in the realm of religious practice. Ireland is not necessarily the ‘home of a people living the life that God desires that man should live’, as Eamon de Valera, a former Irish prime minister defines it (Moynihan, 1980, p. 466). Not only has attendance at services fallen dramatically within the space of half a generation, the influence of the Catholic Church has collapsed (Foyle, 2000). Evolving attitudes and realities mean that issues customarily the preserve of incontestable dogma – abortion, divorce, homosexuality – are no longer sacrosanct. Having entered the public arena, they are no longer taboo. These issues have been, or are being, faced and resolved. Other matters may remain improperly confronted, especially the racism consistently shown to indigenous travellers and, more recently, towards immigrants from Africa and Eastern Europe. However, if the transformed place of women in society is any indication, these problems might also conceivably be resolved in time, partially through legislation emanating from the EU, partly through changing perceptions in a nation that remains young both in mind and demographically.

This paper examines the implications for social life of the phenomenal economic growth that Ireland has achieved since joining the EU, especially during the 1990s. It discusses the socio-demographic changes that have taken place and analyses their effect on population growth and ageing, family formation, and gender relations. The paper argues that the benefits of economic growth have not been evenly distributed between rural and urban areas, social categories or women and men, with the result that economic change has created important challenges for policy formulation and implementation. This is an era during which the political elite responsible for the birth and ongoing development of the Celtic tiger is under sustained attack on substantial charges of corruption and misconduct in office. It will be intriguing to see how these issues that directly affect the public are managed and whether these challenges become more central to future public policy.

The advance of the Irish economy
At the turn of this century, Ireland is booming. Not only is it the EU’s fastest growing economy, but this growth is set to continue. Exchequer income has been surpassing all expectations in recent years. Indeed, the recent annual budget surplus was being estimated at EUR3.2 billion. However, the Dublin government is facing at least one major economic problem that is not being treated seriously: inflation is close to 7%, nearly three times the EU average. It is difficult to persuade voters – especially when a snap election might be called at any point – that restraint should be practiced when it comes to national pay bargaining and wage increases, since the message they are repeatedly hearing is how well the economy is performing. This is especially the case at a time when prices are soaring in the shops (‘Ireland’s risky budget’, 2000, p. 50).

In historical terms, these affluent times are relatively uncharted territory. The economy has never before been in such a buoyant state. For much of the 1950s, the mid-1970s and throughout most of the 1980s, this was not the case. Irish finance ministers were not always in a position to tackle the poverty that afflicted the country with the kind of long-term planning demanded by the intractable economic problems it faced. One constant since the early 1960s has been the government’s attitude to European integration. The mindset of austerity was difficult to shake off, especially as Ireland did not recover quickly from the isolationism enshrined in its wartime neutrality policy. Once a new political cadre took over in the second half of the 1950s, attitudes began to change. Innovative and vibrant economic thinking – through the attraction of foreign direct investment (FDI), for instance – meant that Irish politicians began to look beyond the United Kingdom marketplace for solutions to the country’s economic ills. Part of this process was focused on the developments in freer trade that were taking place in Europe. It was decided that a protective economic policy would not suffice, never mind flourish, in an increasingly global economy, so the decision to liberalize was taken (FitzGerald, 2000). At the centre of this planning was membership of the EEC. Accession may only have been achieved at the third attempt, but the decade it took to secure entry also gave the Irish government time to prepare the population and, more importantly, to ready the agricultural and industrial sectors. Even though European integration was perceived as both a threat and an opportunity, it was clear that initiative was needed ahead of action.

Since 1973, Ireland has had to face economic recession, resulting from the oil crises of the mid-1970s, followed by the traumas of the early 1980s when the young, old and jobless became increasingly dependent on a small and contracting workforce. Unemployment soared and emigration increased. Dependency – especially in trading terms with the United Kingdom, and perhaps even a blame culture, in the sense that reference is so readily made to the past rather than to the present or the future – has habitually slowed down progress rather than acting as a spur. Nevertheless, efforts dating from 1987 to stabilize wage increases, and thus get agreement to low-level pay rises, have coincided with, and contributed to, the fact that the economy has grown by an average of 5.5% per annum ever since, reaching 9% in 2000.

Economic stability laid the foundations for the successful Celtic tiger that exists today, even if a dependency on FDI is unsound in the long run because of the dangers posed by wider global developments that will always be beyond the control of an individual government. It remains to be seen how the economy copes with the growing saturation of the computer market when companies such as Apple, Dell and Intel, who, with the considerable help of generous government tax concessions, have invested in Ireland and reaped the rewards, but remain footloose and liable to downsizing. Job cuts at Motorola in Dublin at the end of 2000 – and infamously at Digital in Galway a decade earlier – demonstrate the negative effects multinational decision making can have on those who actually lose their jobs and on confidence in the economy as a whole (‘Motorola troubles’, 2000). Dublin can absorb such losses, but rural economies like Galway can become overly dependent on large employers. At the same time as continuing to extract enormous profits, it will also be interesting to see if the impact of pharmaceutical companies like Pfizer will be as effective, enduring and rewarding in economic terms as its products appear to have been for consumers. However, Ireland’s presence in the euro-zone, allied to the sense that it is now ‘going through an economic boom because we joined Europe in 1973’, means that the country is competitive because of sensible, and far-sighted, decisions taken in the 1960s (Bowcott, 2000, p. 15).

Ireland’s Gross Domestic Profit per capita may easily outstrip the
United Kingdom, but the proceeds of a thriving economy do not appear to have trickled down to all citizens. For the moment, workers have been rewarded with a minimum wage and by more generous tax-free allowances, though cuts in tax have not only been for the lowest paid; indeed, the top rate of tax has fallen from 48% to 42% in five years. In reality, not all of the benefits of earlier austerity are being shared out equally. The economic consensus that has existed until recently has been severely challenged by inflation. In demanding substantial pay increases, public sector workers have clearly demonstrated their belief that the economy has not benefited their financial position in relative terms. Strikes have become more commonplace once again. The Irish finance minister’s efforts to calm these tensions with a generous budget have received mixed reviews. In total, EUR2.6 billion was given away for 2001, a mixture of tax cuts and increases in social welfare. How is this reflected in the incomes, and relative purchasing power, of those most at risk from inflation, the jobless, the poor and the old?

It is becoming increasingly difficult for people to own their own homes, and not only for first time buyers in a market that has increasingly seen the appearance of over-priced accommodation. There are around 40,000 households on waiting lists for public housing, a 400% increase in a decade, in a country that has the second highest rate of child poverty in Europe. The blatantly obvious increase in the level of homelessness is more significant proof of a malaise affecting society, as ever growing numbers of people miss out on the prosperity that the Celtic tiger has been promising. High inflation levels impact on those relatively poorer sections of society wanting to own (or even rent) a home more than those who have done well out of the economy’s sudden expansion. The fact that, even a conservative estimate of consistent poverty in Irish society of around 10–12% of the population is accepted with barely a comment from the government, is further evidence that all is not necessarily well (Kennedy, 2000).

As in the United Kingdom, unemployment in Ireland is well below the EU average and falling, with a relatively even distribution between men and women. This example of equality is due in part to the availability of part-time work, the growth in support for mothers to return to the workplace, and to changes in attitudes and society. The young are also relatively well represented in the workplace, with the unemployment rate for those under 25 half the average euro-zone level (European Commission, 2000, pp. 18–21). Nonetheless, social deprivation, increasing marginalization, chronic and enduring unemployment are still evident in certain economic black-spots: urban areas, such as Tallaght in County Dublin, and across the mid-west and south-west of the country (Brennan, 2000). Billions of pounds in EU funds have not yet been translated into the eradication of poverty. While general economic prosperity continues, both in terms of growth and employment levels, the vast majority of society is set to see the benefits of increasing modernization. Conversely, any decline in the economy’s impressive performance is likely to have very negative implications for society as a whole, but particularly for its most vulnerable sections.

The contradictions in Irish society

If the economy is doing so well, what effects has modernization had on population growth, the age ratio, immigration, family life, gender and intergenerational relations? What part does religion play in society? Are there sub-national variations? Ireland is certainly a more diverse and complicated place in which to live, but has the quality of life improved compared with half a century ago?

Ireland has a relatively unusual demographic profile by EU standards. Not only does it have a lower life expectancy for both men and women than the EU average, but it has a higher completed fertility rate as well. Although these figures differ appreciably from the early 1970s, relative rates have not improved. Indeed, average life expectancy for Irish men has fallen below the EU average, as shown in Table 9.1.

Table 9.1  Ireland’s demographic profile, contrasted with the European Union (1970 & 1997)

<table>
<thead>
<tr>
<th>Ireland (European Union)</th>
<th>Male life expectancy in years</th>
<th>Female life expectancy in years</th>
<th>Completed fertility rate for children per woman</th>
</tr>
</thead>
<tbody>
<tr>
<td>1970</td>
<td>68.8 (68.4)</td>
<td>73.5 (74.7)</td>
<td>3.50 (2.38)</td>
</tr>
<tr>
<td>1997</td>
<td>73.4 (74.5)</td>
<td>78.6 (80.9)</td>
<td>2.30 (1.81)</td>
</tr>
</tbody>
</table>
In contrast to much of the rest of the EU, Ireland’s population is still growing steadily, a process that looks set to continue as traditional emigration is reversed. Significant changes may have taken place. Publicly uttered attitudes to contraception have been brought more into line with private practice, while the abortion debate has taken many twists and turns. However, the combination of relatively low life expectancy and relatively high fertility means that Ireland’s population is still deemed to be the youngest in the EU.

Meanwhile, the issue of pensions, or the provision of health care for the older people, is not such a pressing problem, nor such a big economic concern, as it is for other EU states such as Italy. Attitudes to post-retirement provision and to the state of the health service fund are clear indications of the work that still has to be done. Although the vast majority of public sector workers have pension coverage, only a minority of self-employed people and half of the country’s private sector employees have made such provision. Some of the proceeds of privatization have found their way into the exchequer in recent years has gone in substantial tax cuts for the wealthier sectors of society rather than the poorest. This may not be a threat to Ireland’s wellbeing for the moment, but that situation could well change in the future. Further provision will have to be made for poorer people, a fact that will be made appreciably worse by an ageing population. The social welfare infrastructure – which sees lengthening hospital waiting lists – can barely cope in a period of prosperity, but will be under serious threat if recession returns.

One of the best measures of this dramatic change in society is the level of emigration. High birth rates have traditionally meant that the most able – the brightest and the youngest – have had to leave their homes to find employment, either moving eastwards from the rural west of Ireland to urban life in Dublin, the United Kingdom or even further afield. Those who remained behind were effected by this phenomenon due to the lack of marriage partners, with the result that marriage rates during the 1950s were relatively low, especially in rural areas. Characteristic economic features such as unemployment and underemployment have been replaced by a dearth of workers and by an increase in job availability. This has increasingly meant that those emigrants who departed more recently – added to the descendants of earlier generations – are being attracted back because of the economy’s insatiable appetite for new employees.

Low unemployment has not only seen migratory flows reversed from emigration to immigration, but has also led to a novel experience in Ireland, the growth of minority communities. This is one area where Irish society has been very slow to react in a positive fashion. Having traditionally used emigration as a crucial escape valve to relieve the pressure caused by the historic lack of job prospects, many people apparently find it difficult to adapt to the repercussions of the new conditions. Having attained 100% of the EU average income per head of population in December 2000, Ireland has reached a milestone, reflecting its change of status from being one of the relatively poor to one of the richest EU member states. However, the reaction has not been to welcome immigrant labour. On the contrary, certain politicians have been adopting a negative stance towards people with a different culture, language, religion, and/or skin colour coming to live in Ireland, an attitude that mirrors the treatment frequently meted out to indigenous travellers. Having used emigration as the number one route to alleviate economic distress, Irish society is now treating economic migrants in much the same way that previous generations were themselves treated when they went in the opposite direction. Intolerance is being demonstrated through the increasing number of racially motivated verbal and physical attacks. But this only reflects the government’s support for the more stringent treatment of non-white extra-communitarians by the EU and its lack of support for emigrants when they do arrive. Despite a severe labour shortage, emigrants waiting for their cases for residency to be heard are very much restricted from taking jobs.

The upturn in employment prospects has contributed to the rapid decrease in dependency within Irish society, as young, jobless and/or older people constitute an ever-smaller proportion of the population. New entrants into the workforce could sustain this development even further. In the mid-1980s, there were 2.2 dependants per worker; by 1996 this ratio had fallen to 1.9:1 and since then it has dropped below the EU average of 1.4:1. It is predicted that the ratio will reach 1.6:1 by
tions and thinking, the high wa-
termark of its power was a suc-
scessful challenge in 1951 to the
Irish health minister’s attempt to
socialize the distribution of med-
cal care. However, the minister’s
subsequent resignation was to act
as a virus that would irreparably
weaken the church’s position over
time.

Society was becoming ready for
change. The advent of television
and popular culture, especially
during the 1960s, exposed the
country to the world. The wider
availability of contraception by
the 1970s, the attempts during the
1980s to introduce divorce – and,
conversely, an effort by pro-life
supporters to reinforce the ban on
abortion – further deepened the
divide between the Catholic
Church and a growing section of
society. The gradual fall in church
attendance has not been helped by
ongoing revelations of gross mis-
conduct, as well as other serious
abuses, by certain elements of the
clergy in relation to some of the
most vulnerable people entrusted
to their care.

A secular element has entered into
the way the country is governed.
The government no longer inter-
fers in people’s sexual mores.
Having not only made contracep-
tion freely available and finally
providing for the possibility of
divorce, homosexuality has gone
from being criminal to no longer
being a bar on military service in
the space of less than a decade.
However, one of the major social
issues that has yet to be resolved
remains the question of abortion.

Despite four attempts to tackle
the abortion question by referendum,
successive Irish governments have
failed to address the issue directly
by legislative means. A constitu-
tional ban on abortion makes this
difficult, but not impossible if the
political will exists. The last effort
to let the people decide led to a
confused reply that, effectively,
allows abortions to be carried out
abroad, but not in Ireland. The
intermediate solution has, there-
fore, been to export the problem to
the United Kingdom. In 1999,
over 6000 Irish women travelled
across the Irish Sea to secure the
termination of their pregnancies.
The subject of abortion is gener-
ally one to be avoided by Irish
politicians who want a long-term,
and thus successful, career. No
votes are to be gained by confront-
ing the issue head-on. Thus, it fes-
ters and remains unresolved (‘Ire-
land’s sad and confusing secret’,
2000, p. 58).

This is not an usual approach to
decision making in Ireland, for-
ward planning does not necessar-
ily go far beyond the next general
election. For instance, the popula-
tion will begin to age quite sig-
nificantly from the year 2005 and
will double within the space of a
generation, so this is obviously an
issue that must receive careful at-
tention. The Irish finance minis-
ter’s response to the plight of pen-
sioners was to give them an 11.5%
crease at the budget announce-
ment in December 2000, but there
is little indication that serious pro-
vision is being made for future
generations (‘Irish boom has
passed soundness barrier’, 2000,
p. 27). The ageing process is not
evenly spread across the country.
The population in rural areas, par-
cularly in the west of Ireland, is
growing older at a faster rate than
in urban areas. Despite the best
efforts of the EU, traditional sec-
tors of employment, such as agri-
culture or fishing, are not so at-
tractive to younger generations.
The population in the more afflu-
ent eastern part of the country is
also ageing, but grows in number.
It now accounts for over half the
population, with a quarter of the total population living in the Greater Dublin area. Meanwhile, the percentage share for the west and north-west of the country fell by a third between the mid-1920s and the mid-1990s. Thus, by 1996, when the last census was taken, 42% of Irish people lived in rural areas, compared with 66% of the population when the state was born in the early 1920s (Central Statistics Office, 1997). This demographic change led to the redrawing of boundaries for the general election in June 1997 to reflect population patterns more accurately. The traditional picture of a content, but impoverished, rural Irish people has been replaced by the images of a vibrant and more consumer-oriented society. Ireland has plunged headlong into the twenty-first century, having spent much of the previous hundred years slowly leaving the nineteenth.

Policy challenges for the twenty-first century

A constant theme throughout the last half-century has been the slowly evolving development of a European consciousness. Despite the efforts of some Irish politicians to argue that the country has more in common with Boston than it does with Brussels, this is most certainly not the case and does not reflect the Europhile nature of the population at large (de Valera, 2000). The EU Commission President has countered sentiments like these by arguing that: ‘Outside Europe, you have nothing. What would you be outside Europe?’ (Prodi, 2000) Although the modernization process in Irish society, following on from the country’s economic transformation, is not just due to Brussels, European integration has given Ireland a framework within which to develop and catch up with the mainstream. European norms have been accepted into Ireland, though they have often been greeted with resistance from the government when the apparent economic costs outweigh the benefits: structural funds were much easier to accept than the extension of social obligations. Despite a populace that continues to believe in very large numbers that EU membership is a ‘good thing’, unremitting support for all EU policies is not guaranteed, especially when decisions contravene the perceived national interest (Bowcott, 2000, p. 15).

However, it is readily apparent that Irish membership of the EU is more important than relationships based on a history of colonization or emigration. The second half of the twentieth century, particularly the last 25 years, have seen changes unimaginable at the height of war. Ireland’s economy and society were transformed. The rural to urban shift continued apace, the position of women changed beyond recognition, and the nation remained young. Such changes present real challenges for the country as the whole. How are governments, which a generation ago took serious heed of the advice emanating from the church, meant to operate in increasingly material and ethnically diverse times? How are institutions and practices dating from another era meant to cope in a consumerist world? The steps taken to address the implications of modernity, both for the economy and society, will be as exacting and illuminating for other nations facing this transition, especially those in Eastern Europe, as it was for the Irish people, though the EU clearly provides an appropriate context.

As it enters this new century in a healthier position than it has been in its entire modern history, Ireland has certain advantages but it still faces some major difficulties. With its population set to reach 4 million inhabitants by the year 2025, its economy booming and its society maturing, the broad outlook is one of ongoing development. However, an economic downturn would rapidly dissipate the store of confidence that has been built up; it would quickly test the structures that have been put in place and would also eat into the meager reserves that the government has put aside. It is clear that advances have been made in Irish society, but they are not commensurate with what has taken place in the economy. On the whole, though Ireland is much more confident about its role in the EU and its place in the wider world, it needs to become more tolerant; it has to eradicate poverty and establish greater social equality. The present situation represents a once in a lifetime opportunity; the government has the power to shape public opinion rather than to be led by the most vocal or backward-looking elements. The challenge for the Irish government is how to avoid throwing this chance away.

Acknowledgement

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