From Periphery to Core (and Back)?
Political, Journalistic, and Academic Perceptions of Celtic Tiger- and post-Celtic Tiger-Ireland

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Abstract:
Since the Celtic Tiger, the concept of periphery has been an integral part of the debates on Ireland's role in the world economy, on its position in the European Union, on its relationship with Great Britain and on internal regional disparities. Whereas Ireland has universally been perceived as being at the core of the European integration project, there is no consensus whether Celtic Tiger-Ireland eventually managed to leave the economic periphery or semi-periphery as defined in the World-Systems Analysis. Additionally, the Celtic Tiger did not manage to reduce regional disparity within Ireland – a fact that resulted in an increased focus on the internal periphery and core. The current recession negatively influences the perceptions of Ireland's economic development and of its role in the European Union.

Keywords: Celtic Tiger, periphery and core, public perception, recession, regional disparities

1. Introduction
Even though the periphery (and core) model has been part of the political, academic and journalistic debate on the state of Irish economy and society for decades, it has most frequently entered these discourses during the Celtic Tiger and post-Celtic Tiger periods. It was especially the boom years and the following severe economic downturn, which have stimulated a heated debate on Ireland’s position in the world economy. On the one hand, Celtic Tiger-Ireland was widely perceived as a shining example of the successful economic development of a small (peripheral) nation. This perception was closely linked with the question of whether the Republic of Ireland was upwardly mobile in
the core and periphery classification, or to be more precise, whether it managed to leave the periphery and join the core countries. On the other hand, the fiscal crisis, bailout and recession are an enormous setback for Irish economic development and represent a major threat to the ideal of an economically upward Ireland. The economic boom and crisis have also boosted questions on the entire meaning of periphery. Does it exclusively refer to economic status or does it also include further spheres?

Furthermore, Ireland also has a well-established internal periphery. So it is characterised by a permanent east/west divide with the Greater Dublin area as the core and the west/the western coastline as the archetypical periphery. The effects of the boom and bust years on the internal periphery and on the development of regional disparities have been a central issue in recent Irish regional planning.

The essay starts with an introduction to the traditional core and periphery concept and its more recent modifications/specifications, which are, in terms of the intermediate semi-periphery, of particular importance for the classification of the Republic of Ireland. Elaborating on the public discourse on Celtic Tiger- and post-Celtic Tiger-Ireland in the world system furthermore requires to elaborate on the economic development of independent Ireland until the advent of the economic boom, since industrialisation strategies (and membership of the European Economic Community) had already started to transform the peripheral Irish economy and eventually initiated a discussion on an economic upward mobility. The main parts of the article then turn to the perceptions of Celtic Tiger- and post-Celtic Tiger-Ireland in the world economy by the Irish political sphere and compare them with academic and journalistic evaluations. It illustrates the main contexts in which the periphery (and core) concept was used in Ireland, the varying meanings of the term periphery and whether the country has been seen as upwardly or downwardly mobile in economic (and other) terms. Last but not least, the focus is also directed to the internal core and periphery in the debates on regional policy.

2. The Core and Periphery Model

The terminology of core and periphery was introduced by John Friedmann in the early 1970s to illustrate the concentration of resources in certain countries/regions and the dependence of less developed countries (Breathnach 2007, 73). Shortly after, the core and periphery concept became the central element of the World-Systems Analysis that goes back to Immanuel Wallerstein (Chase-Dunn, Grimes 1995, 389). Both, Friedmann’s Dependency Theory and the World-Systems Theory can be described as models of the global (economic) power structure.

The core refers to the group of wealthy advanced countries, whereas developing or weakly industrialised countries are the periphery. The characteristic feature of the power relationship between core and periphery is the dominance of the core industries and the dependency of peripheral countries (Chase-Dunn,
This is for example reflected in core-based ownership of peripheral industries, trading relations mainly feeding the demands of the core countries or by a brain drain from the periphery to the core (Brookfield, Munck, in Breathnach 2007, 73). Several economic variables can be used to place a country in this world system. The central ones are the Gross Domestic Product (GDP) per capita, the level of profits and wages, the diversity in production, the technological know-how, the level of innovation and the level of inequality and poverty (Wallerstein 1976, 462; Chase-Dunn, Grimes 1995, 397; O’Hearn 2001, 202-203; Kirby 2004, 320).

However, there are also countries that do not really fit into that rather clear-cut system of core and periphery. The World-Systems Analysis has found a solution to that problem by defining a further category, or rather a sub-category: the semi-periphery. Immanuel Wallerstein describes the intermediate position of semi-Peripheral countries as follows: “In part they act as a peripheral zone for core countries and in part they act as a core country for some peripheral areas” (1976, 463). Some World-Systems analysts have even gone further as they have developed the category of the European semi-periphery, since it seems to differ substantially from their counterparts on other continents in terms of their developmental status. The European semi-periphery – can be defined by additional economic and/or political/societal features. These additional factors include a massive state intervention in the economy, very high rates of public sector employment (as indicator of a very big state apparatus), the enormous expansion of the welfare state, the weakness of the civil society or high unemployment and emigration rates (Peillon 1994, 185, 188, 189, 193). Michel Peillon, therefore, concludes that it has to be differentiated between semi-peripheral economy and semi-peripheral society in some cases (193). This illustrates that the term periphery may sometimes go beyond the admittedly crucial economic indicators.

The pattern of core, semi-periphery and periphery is traditionally perceived as comparatively stable by world-systems World-Systems analysts, which also means that upward mobility from the periphery to the core has been regarded as a relatively rare phenomenon (Chase-Dunn, Grimes 1995, 389). However, in the course of globalisation and the recent restructuring of the world economy there seems to be a tendency towards more (upward) mobility.

With regard to economic development, the role of foreign direct investment (FDI), which has been central to Irish economy growth, is widely discussed. Pessimists only see negative effects of high FDI levels on factors such as the GDP or Gross National Product (GNP). The more optimistic view values FDI not as a negative force for economic growth and upward mobility, but as one that is less positive than domestic investment (Chase-Dunn, Grimes 1995, 398).

Below the global level, the core and periphery model – with its mechanisms explained above – can furthermore be used to explain uneven development and regional disparities within a country (Breathnach 2007, 73). This
has also be the case in Ireland, where the periphery and core terminology has entered the discourses on regional development and planning.

3. From Periphery to Semi-Periphery: The Irish Economy until the late 1980s

Before extensively elaborating on Celtic Tiger- and post-Celtic Tiger-Ireland and its perception by politicians, academics and journalists, it is essential to look at Irish economic (and societal) development and its position in the world system until 1990. Due to its weak economic performance, it was universally acknowledged that independent Ireland represented a peripheral nation. Nevertheless, there had also been agreement on the changing nature of Irish peripherality during that period.

Ireland's peripheral status can be traced back to the seventeenth century, since the establishment of Protestant/English landlords laid the foundation of Ireland's agrarian-based economy and of its dependence on England/Britain (Sturm 1998, 73-74). During the eighteenth century Ireland then fully functioned as a British colony that mainly had to produce agricultural goods for the British market.

With Ireland's incorporation into the United Kingdom in 1801 its status switched from an external periphery to an internal one, but the basic structure of economic relations with Britain did not change. Ireland – except the northeast – remained an agrarian economy exporting its goods to the other parts of the UK (Breathnach 2007, 76). Besides economic dependence (and exploitation), large-scale emigration represents another characteristic feature of the periphery. This criterion was also fulfilled by nineteenth and early twentieth century-Ireland.

Independent Ireland inherited this ‘classical’ periphery structures and until the early 1930s the Cumann na nGaedheal government made no strong attempts to change them. Pronnsias Breathnach, therefore, summarizes “that there was to be no change in the South's developmental status as a primary exporting peripheral economy, except that it was now [and again] an external rather than an internal periphery of the British core” (2007, 79).

The laissez-faire period ended with Fianna Fáil’s economic nationalism, which was to end the dependence on Britain and to establish a self-sufficient Irish economy. In order to reach that aim the Irish market was now heavily protected, industrialisation was promoted and the economic war with Britain was fought. However, economic nationalism did not manage to lead Ireland on the road to long-term economic success and sustainable growth. Rather, ‘protected’ Ireland fell even further behind the booming European economies in the 1950s. The GDP, wages and living standards did not substantially grow, whereas unemployment and emigration rates skyrocketed (Murphy 2005, 29). “Ultimately Ireland was still on Europe’s periphery in both an economic and political sense” (29-30).
As a reaction to the crisis the Fianna Fáil government under Seán Lemass abandoned protectionism and turned to the strategy of modernisation and industrialisation at the end of the 1950s. Attracting foreign direct investment (FDI) to stimulate the Irish industry was at the core of the new strategy. In the early 1980s more than one third of manufacturing jobs had been created in non-Irish firms, particularly American ones, and Ireland’s entry to the European Economic Community had decisively supported this development (Breathnach 2007, 80-81). Those foreign-based firms concentrated on trade with continental Europe so that Irish economic dependency on Britain now substantially declined (81). Breathnach points out that Ireland had transformed from the classical to a new form of periphery by 1980. This new type was defined by the export of manufacturing rather than agricultural goods (*ibidem*), and by a dependency on foreign firms rather than the British market. However, compared with the European and American core, the Irish GDP per capita, income and living standards still remained low (Smith 2005, 37; Breathnach 2007, 81) and mass unemployment and emigration returned in the 1980s. Denis O’Hearn refers to a number of analysts who all “agreed that Ireland was still stuck in a [semi-]peripheral developmental path” (2001, 204).

4. Celtic Tiger- and post-Celtic Tiger-Ireland

Since the early 1990s the economic situation in the Republic of Ireland completely changed. In contrast to former decades, the new peak in foreign direct investment now generated a very large number of high skills or professional occupations rather than low-skilled manufacturing jobs in the industrial sector. This trend was accompanied by a blossoming financial, insurance and software sector (Breathnach 2007, 85). Between 1990 and 2000 Ireland had a remarkable average growth of the GDP of more than 7 per cent (Smith 2005, 38-39). The Irish employment rate rose from 51.7 per cent of the population to a total of 66.3 per cent in 2004 (O’Connell, Russell 2007, 44) and living standards increased substantially from 60% of the EU average to slightly above it (Clinch *et al.* 2002, 26-27). Unemployment declined by 11.4 per cent between 1993 and 2000 (Smith 2005, 40). The Irish labour market had become extremely attractive to people in and outside Europe so that the Republic of Ireland also changed from being a country of emigration to one of immigration. Peter Clinch *et al.* illustrate the outstanding character of the Irish experience since the 1990s: “The boom was exceptional, not just by historical Irish standards but also in an international perspective. Apart from the ‘Asian Tigers’ between 1960 and 1990, and China since 1978, no other countries have sustained such rapid growth for a comparable length of time” (2002, 28).

After the year 2000 the first dark clouds appeared on Ireland’s blue economic sky when the so-called “dot.com bubble” (Breathnach 2007, 85)
collapsed and heavily hit the Irish information technology branch, which was confronted with plant closures and relocations to Eastern Europe (*ibidem*). More severe economic problems, however, just occurred with the fiscal crisis, recession, bailout and austerity policy. Between 2008 and 2010, Ireland experienced a constant decline of the GDP, which peaked in 2010 with a minus of over 5 per cent. Since 2011, however, the Irish economy and the GDP have slightly grown again (CSO 2013a). The unemployment rate dramatically increased from 4.9 per cent in early 2008 to 15 per cent in early 2012. Since then, the situation has slightly improved with currently 14.1 per cent being unemployed (CSO 2013b). The recession and high unemployment have also brought back mass emigration. Since 2010 there is a huge rise in Irish people emigrating. Between April 2011 and April 2012 more than 46,000 Irish nationals left the country (Sheehan 2012) so that Adrian Sheenhan spoke of “emigration ’at famine levels’” (2012) in the *Irish Independent*.

5. *(Semi-)Periphery or Core?: Irish Perceptions of Celtic Tiger- and Post-Celtic Tiger-Ireland*

The boom and bust years since the 1990s have had a tremendous impact on Ireland’s perception at home and abroad. This holds particularly true for the Celtic Tiger period. Formerly being characterised as a weak (semi-)peripheral country in economic terms, the Republic of Ireland was now widely “hailed as a miracle economy” (Smith 2005, 36) and soon called the “Celtic Tiger”3. However, there were also critical voices arguing that Ireland was only a “Celtic kitten” or a “paper tiger” rather than a real Tiger (38). Especially the domestic debate on Ireland and its economy also included the aspect of a possibly new status in the world economy, or to be more precise, whether Ireland was upwardly mobile or still a peripheral/semi-peripheral nation.

The concept of periphery (and core) has been used for decades in Irish political, academic and journalist discourses, but since the advent of the Celtic Tiger an increased frequency is recognisable. Having a closer look at the political debate, one can identify both a number of key contexts in which the concept of periphery has been used and a variety of meanings of the term itself when it is referred to Ireland.

To those key contexts belong economic policy (development of the Irish economy, globalisation, foreign direct investment etc.), European affairs (integration process, impact of the EU on Ireland) and foreign relations (especially the relationship with Britain). Quite often these contexts are interwoven.

The parliamentary protocols, furthermore, reveal that the Dáil deputies and senators attribute different meanings to periphery. It must be emphasized, however, that the varying interpretations of it are often not clear-cut, but that the boundaries are rather fluent.
5.1 Geographical Periphery

One frequent usage of the term periphery is a sole geographical one. Parliamentarians have repeatedly referred to Ireland’s geographical location at the edge of the European continent. So did Senator Fiona O’Malley (Progressive Democrats) in a debate on the Irish economy in a globalised world: “Ireland is on the periphery of Europe and we cannot forget that. Doing business from a peripheral island location is not the same as from mainland Europe” (Seanad Debates, Vol. 187, 21.11.2007, col. 1580). Ireland’s geographical periphery is not only perceived with regard to the European continent as whole, but also in the context of the (changing) geographical boundaries of the political and economic entity of the European Union. A prime example of that is a comment by Joe McHugh (Fine Gael) on EU enlargement:

Regarding enlargement, there is a serious issue in terms of our peripherality. We are moving further away from the centre of Europe. With the eastern European bloc we are more on the periphery now than ever before from a geographical point of view. That is something that is settling into the psyche of the Irish electorate. They can feel that distancing and that we are further on the periphery [...] (Dáil Debates, Vol. 652, 23.04.2008, col. 808)

A characteristic of the sole geographical interpretation of the term periphery is the fact that it does not include any reference to economic and political influence or power structures. The two statements mentioned above, however, illustrate that the geographical periphery is seen as a factor that has explicit implications for Ireland’s (economic) development and for its relations with the European and global partners. As already emphasized, Senator Fiona O’Malley referred to the differences between Ireland and continental Europe and continued to argue that the geographical periphery was not naturally the preferred location for foreign investors and, therefore, had to offer particularly attractive conditions (Seanad Debates, Vol. 187, 21.11.2007, col. 1580).

5.2 Role in the European Union

That Ireland represents the European western periphery is a given geographical fact. With regard to the EU or European integration matters, however, Irish deputies beyond party lines have perceived the Republic of Ireland as being “at the heart of the EU” (Dáil Debates, Vol. 652, 23.04.2006, col. 827) or as being “a key player in Brussels” (Dáil Debates, Vol. 639, 16.10.2007, col. 1080). Ireland is commonly portrayed as a European country that has managed to compensate its location on the geographical fringe – or periphery – by joining the European Economic Community in 1973 and since then being strongly committed to European integration (Dáil Debates, Vol. 651, 09.04.2008, col. 626). Especially the participation in the monetary union
and the introduction of the Euro during the Celtic Tiger has been regarded as a very strong indicator that Ireland belongs to the “inner circle” (Dáil Debates, Vol. 578, 20.01.2004, col. 45) of EU countries (Dáil Debates, Vol. 578, 20.01.2004, col. 45). The rhetoric pattern of the “heart of the EU” or of the “key player” illustrates that Ireland has been widely perceived as some kind of core country in European matters, even though the term core itself has not been used. There had been critical voices what the current nature of European integration is concerned (e.g. Sinn Féin or the Green Party until the 2008 referendum on the Lisbon Treaty), but the basic perception of Ireland being a core player with regard to the European project and, therefore, being “at the heart of Europe” was not really challenged during the Celtic Tiger.

The current bailout of the Republic of Ireland under the direction of the so-called troika – consisting of the European Central Bank, the International Monetary Fund and the EU – has an enormous potential to change or negatively influence the EU’s perception by the Irish and Ireland’s self-perception of its role in the EU. Indeed, there is currently a debate on Ireland’s position in the EU going on. The political leader of it is the Joint Committee on European Union Affairs which recently had a detailed discussion on Ireland’s future role in Europe in February and March 2013. To support and enrich the debate, the committee had also invited Irish Members of the European parliament, leading economists, a representative of the TASC think tank, commentators of leading newspapers and of RTÉ as well as scholars working on EU matters.

Gay Mitchell, MEP, insisted on Ireland still being at the heart of the EU and did not see an Ireland dominated by EU decisions. Rather, he referred to Ireland’s Presidency of the Council of the European Union and the fair share of commissioners to negate any subordinate role of Ireland among the member states:

Since 1973, Ireland has always been at the heart of the European project. This January we commenced our seventh Presidency of the European Union in 40 years. […] We have access to 500 million consumers as part of the Single Market. We have one Commissioner, just like Germany has, and one Minister at the Council of Ministers, as do all the other member states. The Secretary General of the Commission is Irish, as was the Secretary General before her. (Joint Committee on European Union Affairs, 2013c)

Irish Examiner commentator Ann Cahill, however, shared the view that Ireland’s current economic crisis and the economic and fiscal policies of the last decades will undermine its reputation and influence within the EU:

Ireland will be an increasingly small voice in the new Europe. The Irish have long known that if we are not strong, we must be clever. Up to now that cleverness has been concentrated on big business and big money. Like mercenaries, we hope to take part of the spoils. We are not universally admired for this. We are castigated for allowing companies use our tax system to evade tax while we look for cheap loans from the EU. They wonder why we refuse to adopt the financial transactions
tax, FTT, which would extend our tax on share dealings to derivatives. They do not buy the job loss argument. Now with our economic miracle a thing of the past, our recklessness a given and our scrambling back up the credit rating ladder a wonder, we need to look at how we will exercise power in an EU that is hands-on with our budget. We will be forced to change our business taxation system. Members can read the OECD reports and other reports building the pressure as the IMF shies away from bailing out Cyprus and its money-laundering banks. (Joint Committee on European Union Affairs, 2013b)

Dan O’Brien from the *Irish Times* directed his attention to public attitudes towards the EU and referred to a 32 per cent decline in those who regard the EU a good thing between 2007 and 2012 (Joint Committee on European Union Affairs, 2013b). Seán Whelan (RTÉ) joined in here and reported of a widespread view that “Ireland is being bossed around and forced to do things […]” (Joint Committee on European Union Affairs, 2013b). This perception goes mainly back to the control of the Irish budget and orders to cut down public expenditure by the troika (including the EU and the European Central Bank). Whelan then continued to argue that Ireland had to prepare against the possible situation of being too much “bossed” by non-Irish forces. His suggestions even included the worst-case scenario of leaving the Euro/the EU:

Defensive strategies can help ensure that [this] perception is minimised by ensuring we are not in a situation in which we can be bossed around in the first place. However, in cases in which one is being bossed and booted around by other countries, one needs to be able to switch into an offensive strategy and go on the offensive against it or even think about getting out altogether. […] We need to be hard-nosed in Ireland, particularly in our political and parliamentary system, and most especially about money in all its manifestations, protecting the wealth of the nation from all enemies, internal as well as external. (Joint Committee on European Union Affairs, 2013b)

Whereas Irish politicians of the governing parties Fine Gael and Labour as well as of Fianna Fáil basically seem to avoid any rhetoric of Ireland being “bossed” by the EU, Richard Boyd Barrett of the People Before Profit Alliance did not hesitate to explicitly speak of “EU masters” (Dail Debates, 09.11.2011, Vol. 746, col. 35) in a parliamentary debate.

The statements above reveal that the very positive interpretations of Ireland’s role in the EU have waned during the bailout, even though they have not completely disappeared. The hard regulations initiated by the troika have definitely had an impact on the perception of the relationship between Ireland and the EU. It can be argued that there is at least a tendency that Ireland is nowadays more frequently seen as a second-class member of the Euro group and of the EU in general due to its heavy dependence on EU financial support and regulations. Within parts of Irish society, Ireland is perceived as having more or less moved from the heart of the EU to its periphery again.
5.3 Relationship with Britain

When European issues were discussed, Irish deputies have also repeatedly compared the Republic of Ireland with Great Britain. Firstly, it is common sense that the traditional core and periphery relation of both countries has been reversed when it comes to European integration and the role within the European Union. So Bernard Durkan (Fine Gael) explicitly called Britain the European periphery, especially because it did not say yes to the single currency:

> It is unfortunate that our next door neighbour, Britain, has remained on the periphery, especially on the currency issue. Other countries are in the same position. It would be hugely beneficial if the Irish Presidency could use its influence to encourage our next door neighbour into the inner circle, making it that much more effective. (Dáil Debates, Vol. 578, 20.01.2004, col. 45)

Ireland was not just portrayed as integral part of the “inner circle” of committed Europeans – and therefore as a member of the integrationist core of the EU by Durkan, but as a force that might be able to ‘positively’ influence Britain to join the Euro group.

Secondly, Irish politicians, such as Charles Flanagan (Fine Gael) have widely emphasized the fact that Ireland’s former massive dependence on Britain has rapidly declined since becoming a member state of the European Economic Community and introducing the Euro:

> Since joining the European Community, as it was then known, in 1973, Ireland has benefited greatly. With EU help and support, the economy has been transformed. All decent infrastructural programmes in Ireland are thanks to the Union. We have embraced and benefited from European monetary union and, most importantly, progressed from being an inconsequential island on the periphery of Europe, overly dependent on the United Kingdom, to being a key player in Brussels at the heart of EU affairs. (Dáil Debates, Vol. 639, 16.10.2007, col. 1080)

Britain is also perceived as a decisive factor in Ireland’s role and importance within the European Union since it is widely portrayed as a kind of a broker between Britain and other member states in Brussels (Joint Committee on European Union Affairs, 2013a). Such a broker position which might help to find compromises between Britain, as the ‘reluctant European’, and other member states has significantly upgraded Ireland’s role at European level.

The still strong ties between Ireland and its direct neighbour Britain (as well as Britain’s functions of Ireland’s importance at EU level) results in strong Irish fears that Britain may decide to leave the EU in the near future. Irish parliamentarians repeatedly highlighted the negative effects of a ‘Britless’ European Union on the Republic of Ireland. Media representatives and scholars joined in it. In this context, Nat O’Connor from TASC explicitly linked a British withdrawal from the European Union with some kind of
Irish peripheralisation in geographic and economic terms, since Britain would function as a barrier or bulwark between Ireland and the EU:

Of course, Ireland, being geographically on the other side of the United Kingdom, will find itself in a difficult position. We would be in a very bad position if the United Kingdom leaves the European Union or pulls away because we trade so much with the United Kingdom, and yet we have growing trade over the recent decades with the European Union. It would be a bad position for Ireland if the United Kingdom pulled away. (Joint Committee on European Union Affairs, 2013a)

5.4 Economic Development

As already indicated, Irish membership in the EU and its predecessor organisations is also inextricably linked with Ireland’s economic development, which is the main criterion used by world-systems World-Systems analysts to classify a country as core, semi-periphery or periphery. Irish parliamentarians generally perceived Ireland’s economic development from its entry to the European Economic Community in 1973 to the Celtic Tiger as a success story that consequently had a positive impact on Ireland’s status in the world economy. By joining the EEC, numerous deputies, such as Noel Flynn and Bobby Aylward (both Fianna Fáil), argued, that Ireland eventually even managed to leave the (economic) periphery (Dáil Debates, Vol. 651, 09.04.2008, col. 620, 626):

The days before our EU membership were bleak, inward-looking days when we had no prospects and were ravaged by unemployment and economic stagnation. We witnessed the awful haemorrhaging of Irish people from these shores because there were no opportunities of any description at home and the outlook was exceedingly grim. Those were sad days when we sat on the periphery. We endured unemployment, poor infrastructure, high borrowings, lack of foreign investment and high foreign debt. It is almost impossible to believe that those conditions were endemic here less than 35 years ago. [...] In just 35 years, we have completely reversed our position. Gone are the days of our insular existence. Ireland has embraced the European ideal with great gusto and our commitment to the great European project has transformed this island beyond measure. Nobody could have imagined that we would be transformed from a hopeless case to one of the most dynamic members of the EU. The figures in support of our membership speak for themselves. Our openness and connection to Europe have provided the foundation for the extraordinary prosperity we enjoy today. (Dáil Debates, Vol. 651, 09.04.2008, col. 620)

It must be emphasized that the deputies once again avoided speaking of a “core” country. So Ireland was illustrated as an upwardly mobile nation that was able to overcome its peripheral status (Dáil Debates, Vol. 651, 09.04.2008, col. 626). That Noel O’Flynn nevertheless regarded Ireland as a core (rather than a semi-peripheral) nation is evident from his list of economic key factors:
How far we have come in the past 35 years is evident from the following statistics. In 1973 our GDP at current market prices per head of population equalled 60% of the average of our Community partners. In 2007 our GDP equalled 146% of the EU average. In 1973, Ireland had a trade deficit of £341.5 million. We had a huge trade surplus in 2007. Since 1973 our total trade in goods and services has increased from €1.7 billion to €88.8 billion in 2007. This has made Ireland one of the most open trading economies in the world relative to population and economic size. (Dáil Debates, Vol. 651, 09.04.2008, col. 626)

Among the political parties represented in Irish parliament during the boom only Sinn Féin offered a much more negative or pessimistic interpretation of the Celtic Tiger phenomenon. Martyn Frampton points out that Sinn Féin was highly critical of the neo-liberal approach to economic development and growth applied in Ireland. Privatization and the focus on foreign direct investment – as the corner stones of Irish economic policy – were seen as a wrong economic strategy (2009, 137). Especially the huge amount of foreign direct investment during the Celtic Tiger was heavily criticised for transferring an unfair share of wealth produced in Ireland outside the country (mainly to the US):

> There is no strategy to reduce this overdependence by developing our indigenous industries. […] Our economic future cannot be dependent on maintaining our status as a tax haven for multinationals. […] we face the precarious situation of having no control whatsoever over the factors which may influence a multinational to physically relocate to a low-wage economy or to repatriate its profits to another jurisdiction. (ní Dhonnabháin, 2006)

Therefore, Sinn Féin did not join in labelling Celtic Tiger-Ireland as some sort of core.

Whereas among the governing parties and large parts of the opposition there was some consensus that Celtic Tiger Ireland was no part of the economic periphery anymore (and instead reached some core status), journalistic and academic interpretations of the boom are much more divided. When the Celtic Tiger economy had taken up pace, wide parts of the Irish (and foreign) press as well as of the research community praised Ireland’s economic performance and development (Smith 2005, 37-38).

However, a rising number of media commentators and scholars then started to question the substance of the Celtic Tiger economy and focussed on its structural weaknesses. As Sinn Féin, they mainly concentrated on the negative effects of the enormous dependence on (predominantly American) foreign direct investment and declared it the major threat to sustainable growth in Ireland. So Antoin Murphy of the Irish Times described the Celtic Tiger as a “franchised US baseball team” (Murphy, quoted in Smith 2005, 38) to refer to the American roots of the boom and to the dependency on the decisions by American firms.
Even though the interpretations of the Celtic Tiger in the academic sphere range from very positive to highly critical there seems to be some kind of consensus concerning Ireland’s classification in the world system. Whereas Irish politicians have repeatedly spoken of Celtic Tiger Ireland having left the periphery, many economic and social scientists have doubted that the booming Republic of Ireland managed to become a core country. Rather, they classify it as intermediate semi-periphery or some other new form of periphery in economic terms – a specification that cannot be found among politicians.

Among the scholars who shared the view that Celtic Tiger-Ireland was some kind of core was Frances Ruane, director of the Dublin-based and highly influential Economic and Social Research Institute: “In that period we have effectively moved from being a semi-developed to being a developed economy” (2007, xi). Even though she avoided to use the term “core” it is quite obvious that she referred to the classification of the World-Systems Analysis and located Celtic Tiger-Ireland among the economic core states. Denis O’Hearn also had the impression that IMF and OECD representatives tended to classify the booming Republic of Ireland as a new core country (2001, 205).

The heavy dependence on mainly American foreign direct investment and trans-national companies is the main criteria why Irish and foreign economic scientists widely share a more sceptical view than Frances Ruane. In the theoretical part it was illustrated that foreign direct investment is seen as less positive for a country’s economic development compared to investment by indigenous industries. O’Hearn, who is one of the most proponent critics of the Celtic Tiger economy, illustrates why this is particularly true of the Republic of Ireland in the 1990s. He refers to the extraordinarily high extend of profit/value produced by the Irish workforce which has been repatriated by transnational corporations during that period. The growing gap between the Irish GDP and GNP is a clear marker for that phenomenon. Whereas there was hardly any difference in the GDP and GNP in 1980, the GNP lagged behind the GDP by roughly 20 per cent in the year 2000 (O’Hearn 2003, 40).

Two further factors are also rather essential for the developmental status of a country/economy: (1) the level of inequality and (2) the generation of innovations. In both cases the Celtic Tiger seems to have failed the standards of core economies. With regard to inequality, Peadar Kirby emphasizes that the economic growth of the 1990s had been accompanied by an increasing relative poverty and by a rapidly widening income gap which is seen as atypical for a higher developmental status (2004, 320).

Furthermore, the Irish economy and society lag behind core countries in terms of generating innovations (Paus 2012, 164-165.; O’Hearn 2001, 204-205). An indicator of that is the fact that foreign-based and indigenous companies alike have invested a comparatively low share of their profits in research and development (Paus 2012, 164-165). According to O’Hearn, upward mobility in the world system is inextricably linked with innovation (2001, 205). Due
to the “weaknesses” of the Celtic Tiger, Kirby – as other analysts – summarizes that it did not manage to enhance Ireland’s development status:

[I]t can be concluded that Ireland’s ‘miracle’ resulted from prioritising economic growth over social development, and that the benefits were reaped mostly by an elite. The failure of the Celtic Tiger to foster an endogenous dynamic of innovation, the growing social polarisation that has accompanied it and the reconfiguration of the Irish state in a decisive manner so that it attends to the needs of corporate capital over those of its own citizens, have all served to camouflage rather than resolve Ireland’s long-standing development problems. (2004, 324)

Celtic Tiger-Ireland has, therefore, not been classified as a new part of the core by most economists and social scientists due to its specific structural features and dependence pattern. So O’Hearn still prefers the category of semi-periphery (2001, 205) and Breathnach still regards the Republic of Ireland as periphery, but as a new or modified form of it (2007, 85-86).

Celtic Tiger-Ireland is classified as semi-periphery by most economic (and social) scientists, so it is quite clear that their evaluation also accounts for the post-Celtic Tiger or recession period. Currently the academic community is debating whether the Republic of Ireland can be brought back on the right developmental track. As highlighted by O’Hearn, an innovative economy is essential for a future upgrade of the country’s development status. Already in 2006, the Fianna Fáil-led coalition government launched the *Strategy for Science, Technology and Innovation* (2006-2013) and saw in “the transition to a knowledge-economy” (Department of Enterprise, Trade and Employment 2009, 3) the cure to Ireland’s economic problems (Department of Enterprise, Trade and Employment 2009). The subsequent Fine Gael/Labour coalition has kept this economic strategy and Taoiseach Enda Kenny spoke of “real progress on our task of transforming the economy from one based on property speculation to one based on enterprise, exports and innovation” (Kenny, quoted in Burke-Kennedy 2013). Eva Paus values the efforts of the Kenny government to stimulate innovation, but doubts whether it will be successful in an age of austerity:

The economic crisis motivated an extensive reassessment of the innovation strategy, which has led to a better structure of coordination among relevant institutions going forward and a shift in emphasis away from basic science research to more applied research with greater input from the private sector. While the Kenny government has made radical cuts to social spending, it is trying to hold the line on support for moving the economy toward innovation. But the realization of that goal will be enormously difficult as funding for infrastructure and the expansion of social capabilities is lacking, social well-being is declining, and the government is managing a crisis and not a developmentalist strategy. (Paus 2012, 181)

Whereas the perception of Ireland having managed to leave the economic periphery with the Celtic Tiger was very widespread among Irish politicians, this
interpretation seems to have dramatically waned during the economic crisis and bailout. Rather, parliamentarians across party lines do now much more regularly speak of the Republic of Ireland as a peripheral economy again (Dáil Debates, Vol. 730, 20.04.2011, col. 682; Vol. 752, 18.01.2012, col. 90). In many cases, however, the usage of the term periphery must be interpreted as a combination of its economic and geographical meaning. So the deputies often seem to use periphery to refer to both, the economic development status of the Irish economy and the geographical periphery at the edge of Europe (with its specific economic needs) (Dáil Debates, Vol. 731, 05.05.2011, col. 620; Vol. 741, 21.09.2011, col. 85).

There is also another trend as to what the perception of the Irish economy under the conditions of the recession and bailout is concerned. With increasing frequency, Ireland is also portrayed as being in a special position compared to the other struggling European economies of the periphery or having distanced itself from the southern peripheral countries. The prime representative using this strain of argumentation is the Taoiseach Enda Kenny who does not get tired of presenting Ireland as the country of the bailed-out periphery with the most ambitious efforts to fulfil the requirements of the troika and with the most positive fiscal and economic development. The Economist illustrates Kenny’s position and also refers to the purpose of his strategy:

The former schoolteacher [Enda Kenny] prefers to capitalise on his image as the good pupil of the euro-zone periphery to secure better terms for Ireland’s bail-out. The country, he says, is a ‘unique and special case’. This is not to draw a parallel with the euro zone’s other unique case, Greece, but to stand as its antithesis. If the obstreperous Greeks recently got a softening of their bail-out terms […] to avert the threat of ‘Grexit’ from the euro, surely the Irish deserve help to secure their exit from the bail-out and return to markets on schedule at the end of the year. (The Economist, 2013)

That Enda Kenny’s evaluation of Ireland as “special case” is not just one of an all too optimistic Prime Minister is illustrated by John Corrigan, chief executive officer of the National Treasury Management Agency. According to Corrigan, internal business and potential investors also see Ireland in a much more positive light compared to the other (bailed-out) peripheral countries of the euro zone:

Investors we have met are mostly of the view that Ireland is the best positioned of the eurozone periphery countries to deal successfully with the crisis as it has a more flexible open economy and is recognising and taking action to deal with its problems on the basis of the measures set out in the troika programme. (Joint Committee on Finance, Public Expenditure and Reform, 2011)

6. The Internal Core and Periphery

As highlighted in the theoretical part, the core and periphery model may also be applied to the national level. Even though the Republic of Ireland is a compara-
tively small country, its socio-geographic structure is determined by a deep east/west divide. The east – and the Greater Dublin area in particular – represents the internal core, whereas the western parts must be characterised as the internal periphery. Economic development in the Republic has always been uneven and has mainly concentrated on the eastern (and southern) core. Economic disadvantage of the periphery also resulted in a massive brain drain – as another feature of peripheral areas – which has meant a permanent loss of highly-educated young people who migrated to the Irish core (or to international core regions) (Western Development Commission 2001, 19). Further effects of economic regional disparities in Ireland are persistently lower incomes and living standards in the western periphery compared to the eastern core (O’Leary 2001, 201).

Even during the Celtic Tiger, which had come along with a positive development in all parts of Ireland, the core and the periphery of the country did not narrow in terms of industrial development or living standards, because the highest growth rates in industrial output and employment could again be found in the east and south (Western Development Commission 2001, 12, 24). The following numbers illustrate this fact: in the eastern core the average annual growth rate in net industrial output was 17.5%, whereas it just reached 4.5% in the west (24). The current recession, together with the policy of austerity, has the clear potential to boost regional disparities and to further weaken the periphery.

Whereas the development of disadvantaged areas had almost been neglected during the economic crisis of the 1980s, this changed a decade later. The economic boom of the 1990s has played its part in boosting questions on the internal core and periphery, but John A. Walsh emphasizes that “[t]he transition to the Celtic Tiger era was not immediately accompanied by a revival of interest in regional planning or spatial development strategies. Rather a number of factors combined in the early 1990s which led to a new approach” (2007, 46). Nevertheless, uneven development of the Irish regions during the Celtic Tiger must be regarded as a decisive stimulus for a surge of interest in regional development and in promoting the periphery that is reflected in increased governmental efforts to stimulate growth in the western periphery and to reach a more even national growth pattern. So the Irish government was confronted with claims from the western periphery as well as from the eastern core to intensify regional planning, since the boom had generated problems in both parts of the country (47-48).

In the political debate on the east-west-divide and regional development deputies have not hesitated to explicitly speak of an internal periphery. So did David Andrews (Fianna Fáil), Minister for the Marine, when referring to the possibilities and prospects of western/rural development in the discussion about the National Development Plan 1994-2000:

I wish to deal specifically with the marine sector which is ready to play its part in two main ways – by creating jobs and increasing prosperity through the exploita-
tion of natural resources, often in the most peripheral regions of the country […]. I have a strong philosophical view of the need to locate jobs on the periphery of this island – in other word, in the remote rural parts which have been neglected for so long. (Dáil Debates, Vol. 434, 14.10.1993, col.1326-27)

Parts of the north-west sub-region (or, to be more precise, parts of the counties of Sligo and Donegal) have even repeatedly been perceived as some kind of ‘double periphery’ or ‘periphery within the periphery’ since they are not just part of the disadvantaged west but also of the border region – an ‘artificial’ periphery that was created with the partition of Ireland in 1922. As the western seaboard, the border region “suffer[s] [from] considerable social and economic disadvantage” (Dáil Debates, Vol. 432, 17.06.1993, col. 1333). Peripheral disadvantage of the north-west seems to have doubled and is regarded as particularly severe by north-western TDs (Dáil Debates, Vol. 432, 17.06.1993, col. 1333; Vol. 482, 05.11.1997, col. 803). Therefore, John Perry (Fine Gael) – as others – referred to the north-west as “the extreme periphery of the EU” (Dáil Debates, Vol. 482, 05.11.1997, col. 803). Brendan Smith (Fianna Fáil) pressured the Irish state and the EU to particularly assist and support the region (Dáil Debates, Vol. 432, 17.06.1993, col. 1333).

The **Northern Periphery Programme**, 2007-2013, which is run by the European Union, has represented a major chance for the Irish western periphery to gain financial support for development projects. The programme “aims to help peripheral and remote communities on the northern margins of Europe to develop their economic, social and environmental potential” (Northern Periphery Programme 2011, 1). Northern Periphery regions are defined by the following features: “sparseness of population, rurality, insularity, harsh climate and peripherality” (2011, 15). The whole western part of Ireland – including the counties of Donegal, Sligo, Leitrim, Galway, Clare, Limerick, Mayo, Cork and Kerry – may take part in the programme and is eligible for funding (5). Therefore, the listed counties are officially recognized and termed as (northern, European) periphery.

As already mentioned, there is the danger that the peripheral west will be further marginalised in the Ireland of recession and austerity. So the debate on the internal core and periphery structure currently seems to reach a new height. In 2009, Adrian O’Donoghue of the Border, Midland and Western Assembly already emphasized that the economic downturn affected some Irish regions more severely than others, depending on their economic structure. This is particularly true of the West and Border regions (as well as of the Midlands) with their heavy dependence on the construction, manufacturing and agricultural sectors (O’Donoghue 2009, 14). O’Donoghue, therefore, calls for a “structural shift away from primary production to higher value sectors and activities” (15), and rejects proposals of a concentration of development efforts in the core regions, since this “would further weaken Ireland’s economic competitive position and exacerbate regional disparities with high economic and social costs” (*ibidem*).
Paddy McGuinness, the then designated Chairman of the Western Development Commission, was invited to the Joint Committee on Environment, Culture and the Gaeltacht in November 2012 and urged the parliamentarians to continue in their efforts to promote western development under the conditions of recession and austerity:

The employment and population gains of the past decade on the potential to build on what has been achieved will be undermined unless there is a continued strategic focus on the region. In recent times substantial infrastructural improvements have been made, for example, the M6 to Galway, the strengthening of the electricity grid, greater access to broadband in rural areas [...]. However, a great deal more needs to be done if enterprises in the western region are to operate on a level playing field with enterprises in other regions and if the region is to be attractive to investors and highly skilled workers. This is the key to the region realising its full potential to achieve growth and job creation. In this, the commission has strived to identify the western region not only as a key resource for Ireland but also a critical asset as a bountiful region on the periphery of Europe [...]. (Joint Committee on Environment, Culture and the Gaeltacht, 2012)

7. Conclusion

The paper shows that the Celtic Tiger and the following recession have had a strong impact on the perception of Ireland's developmental status. In the 1980s it was still universally acknowledged that the country represented the semi-periphery (or some new type of periphery). This consensus ended with the Celtic Tiger when the majority of Irish politicians did not regard the Republic of Ireland as economic periphery anymore, but numerous economic and social scientists still rejected the notion that the Irish economy had reached core status. The current economic downturn has resulted in new national consensus that Ireland is still part of the (semi-)periphery and that a transformation of the economy towards a less dependent and more innovative economy is necessary. Nevertheless, there is a clear trend towards differentiation between the struggling peripheral economies, and Ireland is repeatedly presented in a much better light compared to Greece, Portugal or Cyprus, and regarded as being in a special position.

Furthermore, the paper emphasizes that the concept of periphery is not just used in economic terms in Ireland. So it can have a sole geographical meaning and is used to refer to Ireland's location at the edge of the European continent. From an Irish perspective, this geographical isolation could be successfully compensated by joining the European Economic Community and the Monetary Union. With regard to European integration, Ireland has traditionally been seen as a core player on the European stage by all parts of Irish society. The bailout and the EU's role in it currently endangers this positive self-perception, since more and more people regard Ireland as too much dependent on and dominated by the EU.
Besides the European level, the term periphery has also entered the context of Anglo-Irish relationship. Here, the dominant discursive pattern is the reduction of economic dependency on Britain and even the reversal of the core and periphery structure, at least as far as European integration is concerned.

Last but not least, the periphery within Ireland received much more public and political attention during the boom and bust years. Transforming the economy of the western periphery towards a so-called smart economy and sustainable growth represents an integral part of the current economic planning which aims at leading Ireland on the track towards becoming a core economy.

Notes
1 The United States of America are the most prominent example of long-term upward mobility, since they did not only manage to leave the periphery but have reached a hegemonic position among the core countries, even though this hegemony is recently waning (Chase-Dunn, Grimes 1995, 396-397).
2 The GDP refers to the total amount of value generated by an economy within a certain period. This also includes profits/incomes which do not remain in the country, but are transferred to other jurisdictions. The GNP just measures that share of the value which is not transferred outside the country (CSO, n.y.).
3 The term “Celtic Tiger” goes back to the Morgan Stanley investment banker Kevin Gardiner, who compared Ireland with the Asian Tiger states (Smith 2005, 37).
4 The National Treasury Management Agency (NTMA) is a state body which is responsible for the management of the “public assets and liabilities” (National Treasury Management Agency, n.y.) of the Republic of Ireland such as the National Debt or the National Pensions Reserve Fund (National Treasury Managements Agency, n.y.).
5 The establishment of the statutory Western Development Commission as well as the National Development Programmes 1994-2000, 2000-2006 and the National Spatial Strategy represent the prime examples in the strive for peripheral development.
6 The predecessor programme IIIB Northern Periphery Programme 2000-2006 did not cover Irish regions.

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