Remarks delivered at launch of Professor Peadar Kirby’s “Celtic Tiger in Collapse – Explaining the Weaknesses of the Irish Model”

TASC and the Institute for the Study of Knowledge in Society (University of Limerick) this evening hosted the launch of Professor Peadar Kirby’s new book, “Celtic Tiger in Collapse – Explaining the Weaknesses of the Irish Model”. The launch was chaired by ICTU General Secretary David Begg, who said:

“Peadar Kirby’s latest work of scholarship is a timely challenge to the dominant narrative purporting to explain how we ended up in the present crisis. Using a political economy approach and drawing on the critique of neoclassical economics of Karl Polanyi, he forensically dissects the Irish growth model and exposes its failure in a manner that will make uncomfortable reading for some. In this he has done the state some service”.

Speaking at the launch, Fintan O’Toole, Chairperson of the TASC Council, said:

“Uniquely among those seeking to explain what went wrong, Peadar Kirby takes a political economy approach. In ‘Celtic Tiger in Collapse’, he not only identifies the fundamental flaws in the Irish model of development. Crucially, this book also analyses the factors which stifled debate on that model – and which allowed large swathes of society to see reality in a mirage. ‘Celtic Tiger in Collapse’ is essential reading as we seek to chart a new way forward – politically and economically”.

The book’s author, Professor Peadar Kirby, said:

“The crisis that we are currently living through has been described as a financial and economic crisis, an environmental crisis, a crisis of Irish society, but also as a crisis of political institutions and of the political system, and a crisis of national values and authority. However, underlying all of these is a more fundamental crisis to which little attention has been devoted and yet it lies at the heart of the crisis we find ourselves in. This is a crisis of knowledge, the kinds of knowledge we generate and disseminate as a society, and the institutions through which this happens. For amid all that we are learning about how the financial and economic crisis happened one question keeps being insistently asked, and it is a question to which no clear answer has yet been given: why did the bankers not see the foolishness of what they were doing and why did the regulators not act on what they did know?

“What we are interrogating is a frightening reality – the ability of a whole society to avoid simple facts and to live in a fantasy world of make believe. There are a number of dimensions of this knowledge crisis that it is necessary to distinguish. Firstly, it is important to remember that knowledge was being produced in Ireland that was very critical of public policies and of Ireland’s development model – yet most well-informed people in Ireland, outside certain select circles of academics, were unaware of this knowledge largely because it was ignored by the media. Instead, where the media did give attention to academic output it was to the very positive knowledge being produced by certain eminent academics in the social sciences.

I am very struck by the fact that a lot of the writing and discussion on our financial and economic crisis is marked by a strongly personalistic hue. In other words, the implication is that it was greedy and short-sighted bankers, property developers and politicians that caused the crisis. This is far too simplistic as it neglects the
structures and relationships of power that created the conditions for their actions, namely the political economy model or the relationship between state and market, that privileges certain sectors of society over others. Since the early 2000s I’ve been trying to analyse the dimensions of what internationally came to be called ‘the Irish model’ and drawing attention to what I considered the economic and social unsustainability of the model. I don’t claim to have predicted the exact trigger of the collapse but I do think I have identified some of key weaknesses of the Irish model.

The challenge of the moment is to resist the temptation to put this back together again, since the national and international conditions are no longer adequate (not least because of the need to face peak oil and radically reduce our carbon emissions, challenges that are going to fundamentally reshape our systems of production and distribution), and instead to take the more challenging road to reimagine ourselves anew and build the social and political institutions to give shape to a new sense of national community and economy. This was well expressed in the TASC open letter by 28 economists, social scientists and economic analysts published in The Irish Times on March 8th last which outlined a set of alternative policies to building a more egalitarian and sustainable country but which seems to have fallen on largely deaf ears. I hope my book makes some modest contribution to the huge task of social re-imagining, a task that is going to require immense strengths of civil society to fight the many battles ahead”, Professor Kirby concluded.