

# Development of the Irish Economy

## Section B — Ireland before Independence

Centuries recap

# 16<sup>th</sup> century

## *Transition out of Middle Ages*

Transition from gift to market economy. Lordships based on...

- Lordship based on common law
  - local markets, centers of trade; cash/coin use; Dublin, Cork, Wexford
- Lordship based on manpower
  - low population densities; self-sufficient units; barter economies; North & Midlands
- Mixed
  - Coexistence of both; Galway

⇒ Impact of militarization on this process?

# 16<sup>th</sup> century

## *Transition out of Middle Ages*

Metrics:

- Population
- Some trade: British ports, archeological

# 17<sup>th</sup> century

## *Under English Rule, Cromwell*

Early-century, trade boom:

- Traditional goods: wool, hides, tallow, fish
- Live cattle: climate comparative advantage, increased EU demand
- Focus on raw materials; dependance on trade for money supply (recurring theme)

Mid-century, war:

- Economic depression, compounded by the plague

# 17<sup>th</sup> century

## *Under English Rule, Cromwell*

Late-century, prosperity

- Expansion of trade to new markets, salted beef
- Regional specialization: labour/capital intensive regions → rise in inter-regional trade
- Dublin population growth 10x

Acts

- Cattle acts: sped up transition to beef/dairy
- Navigation acts: all trade through England ports → incr. trade costs for merchants

# 17<sup>th</sup> century

## *Under English Rule, Cromwell*

Metrics:

- Population
- Currency exchange rate IR£ ↔ £stg

# 18<sup>th</sup> century

## *Modernization*

Absentee landlords: consequences?

- Currency is necessary to pay them → need to run a trade surplus

Agriculture:

- Coldest winter of the millennia → greater share of pop died than Great Famine
- Woolen act reshaped economy towards linen

New sources of revenue for landless peasants:

- Spinning wool etc

Trade:

- Rise of Britain in Irish exports → dependance



# 18<sup>th</sup> century

## *Modernization*

Financial system:

- Strong link between financial system and agriculture
- Transition coin-based → paper-based

Transport network:

- Development of stagecoaches
- Unsuccessful canal development
- Increased inter-regional trade

# 18<sup>th</sup> century

## *Modernization*

Metrics:

- Imports, exports
- Government expenditure
- Currency exchange rate
- Population

# 19<sup>th</sup> century

## *Acts of Union, Great Famine*

Union with Great Britain:

- Irish producers get privileged access to British market → 80% of Irish exports
- Unique currency, customs union

Corn laws

- Shift back to tillage in Ireland → bread basket of Britain

Migration pre-famine

- 1.5m emigrated, highest per capita rate in Europe

# 19<sup>th</sup> century

## *Acts of Union, Great Famine*

### Great Famine

- Potato failure
- Police response failure
  - Free market ideology
  - Fiscal constraints post-Napoleonic wars

### Consequences

- 1m died
- 1.5m emigrated
- Irish pop at its peak in 1845, never caught up

# 19<sup>th</sup> century

## *Acts of Union, Great Famine*

### Post-famine

- More migration: 4m 1850–1914
  - Networks built from Great Famine emigrants, easing the voyage
- Steady decline in population
  - GDP per capita increased as a result

### Industrialization

- Performs much slower than its European counterparts
- At the periphery of Britain where industrialization concentrated, no cheap energy sources
- Main exports: textile, shipbuilding, beer and whiskey

# 19<sup>th</sup> century

## *Acts of Union, Great Famine*

Metrics:

- Commodity prices
- Prices of shares and government debt
- Life expectancy, height
- Population
- Real wages
- Land prices

Meet the data

# Long-term impact of the Great Famine

Famine map and data *by parish*

<https://www.irishfamineproject.com/data.html>

Contemporary measure of income *by county*

[https://statbank.cso.ie/px/pxeirestat/Database/eirestat/County%20Incomes%20and%20Regional%20Accounts/County%20Incomes%20and%20Regional%20Accounts\\_statbank.asp?sp=County%20Incomes%20and%20Regional%20Accounts&Planguage=0&ProductID=DB\\_RA](https://statbank.cso.ie/px/pxeirestat/Database/eirestat/County%20Incomes%20and%20Regional%20Accounts/County%20Incomes%20and%20Regional%20Accounts_statbank.asp?sp=County%20Incomes%20and%20Regional%20Accounts&Planguage=0&ProductID=DB_RA)