

Dependency and Modernization: Perspectives from the Irish Nineteenth Century

THOMAS A. BOYLAN & TERRENCE McDONOUGH

While it would be an exaggeration to say that Ireland played a central role in the development of political economy in the nineteenth century, Ireland's place in the genesis of the contemporary schools of thought in economics is not inconsiderable. Before the famine, classical political economy, based in a utilitarian framework and advocating a policy of *laissez-faire*, was dominant in Ireland both at the level of the academy and in attempts at popular education in economic matters. Indeed, in the work of Longfield and others, Irish political economy in this period anticipated the development of marginalist economic thought.

After the famine, classical political economy in Ireland was largely abandoned and alternative frameworks of thought were sought. This quest led in several directions. Comtist social science was introduced to Ireland by the Statistical and Social Inquiry Society of Ireland. John Kells Ingram and T.E. Cliffe Leslie helped to found an historical school of economics, which inspired modern institutional economics in the tradition of Veblen. Marx included a discussion of Irish agriculture in *Capital* and his views on Ireland along with India have been the initial source of much Marxist writing on Third World and colonial questions.

It is the thesis of this article that recent departures in the analysis of Irish nineteenth-century development (or lack thereof) have interesting antecedents in the contemporary nineteenth-century understanding of the Irish economy, especially in the post-famine period. More specifically we will argue that the different strands of the 'dependency theory' perspective on development can find harbingers in the response of contemporaries to the troubled Irish economy of the last century. In service of this argument, we will undertake a review of the emergence of the several strands of dependency analysis, especially as it was developed and applied in the Latin American context. We will then examine how modern scholars have used these perspectives to understand the economy of the Irish nineteenth century. Finally, we will turn to the nineteenth century itself and examine if these outlooks find corroboration in the work of nineteenth-century observers.

Dependency Theory

The emergence of dependency analysis is of recent origin and its initial development was focused on Latin America. During the course of the 1970s, the domain of application was extended to include most of the underdeveloped world and to the countries of the European periphery. Immanuel Wallerstein's world-system theory represented an historical generalization of dependency analysis. Dependency theory was also extended at an early stage to include not only economics but also the political and cultural domains. These differing domains of dependency were seen as closely interacting, and dependency theory became a critical focus of study for an array of social scientists, including sociologists and political scientists as well as economists. Considerable debate was centred on whether dependency theory could be considered a coherent and well-integrated paradigm for development studies.¹ This interpretation was disputed by Palma, who pointed to the diversity of theoretical perspectives utilized by dependency analyses.²

Following Palma, a three-way categorization of dependency studies can be identified: those of the Latin American neo-Marxist tradition (later to include Amin and Wallerstein); the later contributions of members of the Economic Commission for Latin America (ECLA) school; and finally a re-orientation of dependency studies towards the specificity of individual country studies, represented in the work of Cardoso and Faletto.³ In this section, we do not propose a complete review of the literature. Our more modest aim is to identify the central axes of thought that could be drawn on if we are to appeal to this body of thought in negotiating the history of development and underdevelopment in an Irish context.

The Neo-Marxist Strand

One of the earliest and most interesting contributions to the neo-Marxist school of dependency theory, which also made some of the most ambitious claims for dependency analysis, was provided by Dos Santos in 1969.⁴ Dos

1 See I. Roxborough (ed.), *Theories of Development* (London, 1979); J. Browett, 'The Newly Industrializing Countries and Radical Theories of Development' in *World Development*, xiii, no. 7 (1985), pp. 789-803.

2 G. Palma, 'Dependency and Development: A Critical Review' in Roxborough, *Theories of Development*.

3 See especially F.H. Cardoso and E. Faletto, *Dependency and Development in Latin America* (Berkeley, 1979).

4 T. Dos Santos, 'The Crisis of Development Theory, and the Problem of Dependence in Latin America' in Henry Bernstein (ed.), *Underdevelopment and Development: The Third World Today* (London, 1973); N. Bukharin, *Imperialism and the World Economy* (New York,

Santos saw dependency theory as the 'periphery-focused' counterpart to the theory of imperialism. It was, he argued, only by 'understanding dependence and conceptualising and studying its mechanisms and its historical force one both expands and reformulates the theory of imperialism.'⁵ This theme was central to his overall conceptualization of the complementarity between imperialism and dependency. He argued that:

Neither Lenin (1917), nor Bukharin (1966) and Rosa Luxemburg (1964) ... nor the few non-Marxist writers like Hobson (1965) ... approached the question of imperialism from the point of view of the dependent countries. Although dependence has its place in the general framework of a theory of imperialism, it also possesses a force of its own which entitles it to a specific place in the general process which is itself influenced by it.⁶

The most widely used neo-Marxist definition of dependency belongs to Dos Santos. He defines dependence as:

a conditioning situation in which economies of one group of countries are conditioned by the development and expansion of others. A relationship of interdependence between two or more countries or between such countries and the world trading system becomes a dependent relationship when some countries can expand through self-impulsion while others, being in a dependent position, can only expand as a reflection of the expansion of the dominant countries, which may have positive or negative effects on their immediate development.⁷

In the case of Latin America, Dos Santos distinguished three stages or forms of dependence – the mercantile dependence of the colonial era, the financial-industrial dependence that was consolidated at the end of the nineteenth century, and the technological-industrial dependence of the post-war era. This latter phase, which was the primary focus of Dos Santos's analysis, is 'based on multinational corporations which began to invest in industries geared to the internal market'.⁸ For Dos Santos, each of these different relations of dependence place fundamental limits on the scope and potential for self-sustaining

1966); V.I. Lenin, *Imperialism the Highest Stage of Capitalism* (London, 1917); R. Luxemburg, *The Accumulation of Capital* (New York, 1963).

5 Dos Santos, 'The Crisis of Development Theory', p. 73.

6 *Ibid.*

7 *Ibid.*, p. 76.

8 T. Dos Santos, 'The Structure of Dependence' in Livingstone (ed.), *Development Economics and Policy: Readings* (London, 1981).

long-term development of the periphery. Dos Santos suggests that it is possible to demonstrate that each stage of dependence is reinforced by a necessary coincidence between dominant local and foreign interests. The only way to break the circle of dependence is to radically change the internal structure that reinforces it and to establish popular revolutionary governments which open the way to socialism.

From the late 1960s and through the 1970s, the analytical work on dependency theory within the neo-Marxist school came to be dominated by the work of Frank, Amin, and Wallerstein.⁹ Their work turned on the existence of a single world capitalist system which derived its momentum from the development of the capitalist mode of production at the centre and drained the economic surplus and resources of the periphery. This world system acted upon and transformed the economies of the periphery with the collaboration of the local dominant classes. The concept of dependent, or as Amin termed it 'extraverted' development, enabled neo-Marxists to acknowledge that capital accumulation and output expansion had occurred in the periphery, but emphasize the distorted and unbalanced character of this process. The contrast developed here was with the self-sustaining and equitable expansion path, which it was argued, could be achieved by the pursuit of autarkic socialist development.

Crotty and O'Malley on the Irish Nineteenth Century

It is curious that the Irish case did not appear sooner in the literature of modern dependency theory. Its proximity and long relationship to Britain and its subsequent lack of development would seem to make Ireland an obvious candidate for the application of dependency analysis. Nevertheless, the application of dependency theory to the Irish case dates only from 1979 with the publication of Raymond Crotty's article, recasting his 1966 analysis of Irish agricultural history in dependency terms.¹⁰ We will argue that Crotty's analysis, especially as expanded by O'Malley,¹¹ constitutes a rendering of Ireland's nineteenth-century development consistent with the neo-Marxist strand of dependency theory.

- 9 For useful reviews of this literature, see Charles Barone, *Marxist Thought on Imperialism* (Armonk, NY, 1985) and Anthony Brewer, *Marxist Theories of Imperialism: A Critical Survey* (London, 1990).
- 10 Raymond Crotty, *Irish Agricultural Production: Its Volume and Structure* (Cork, 1966), and 'Capitalist Colonialism and Peripheralization: The Irish Case' in Dudley Seers, Bernard Schaffer and Mrja-Liisa Kiljunen (eds), *Underdeveloped Europe: Studies in Core-Periphery Relations* (Atlantic Highlands, NJ, 1979).
- 11 Eoin O'Malley, 'The Decline of Irish Industry in the Nineteenth Century' in *The Economic and Social Review*, xiii, no. 1 (1981), pp. 21-42; Eoin O'Malley, *Industry and Economic Development: The Challenge for the Latecomer* (Dublin, 1989).

Crotty identifies the relationship between Ireland and Britain as one of capitalist colonialism. We will pass over dealing with the peculiarities of Crotty's definition of capitalism. Crotty starts his argument in 1966 by stating:

Irish agriculture has been influenced by three factors in particular. The first is the climate of the country; the second is the system of land tenure; and the third is the nature of the demand for its products.¹²

Crotty has little difficulty squaring this earlier analysis with his later espousal of dependency theory. Climate is of course a causal factor in agricultural development, but is essentially an ahistorical background factor in a dynamic analysis. The system of land tenure plays an important role in Crotty's argument, but its role is to magnify the importance of changes in the international market for Irish goods. The insecurity of Irish tenures and short leases make it possible for both peasants and landlords to respond to changes in market prices unencumbered by a great deal of sunk investment and a long term commitment to maintaining family possession of a particular plot of land. The driving factor in changes in Irish agricultural production is prices. The insertion of Ireland into the capitalist market headquartered in Britain determines that these should be international or at least British prices.

Significantly, in line with much recent scholarship, Crotty contends that the colonial relationship to Britain, despite mercantilist restrictions on Irish trade, did not hinder the development of Irish industry in the pre-Industrial Revolution period of manufacture. Indeed, the negative economic consequences of colonialism for Irish development only become evident with the fall in grain prices which followed the end of the Napoleonic Wars.

While Crotty's conception of capitalism dates its advent in Ireland from the sixteenth century, the industrial revolution plays a crucial role in his analysis of the dynamics of Irish agriculture. The rapid expansion of the urban population of Britain and the relaxation of trade restrictions led to an across the board increase in the demand for Irish agricultural production. It is during this period that Irish agriculture is decisively subordinated to the British market. This subordination did not in itself hinder Irish development until the post-Napoleonic crisis.

In Crotty's argument, the reversal of price trends was to have serious and long term consequences for Irish development. The fall in the price of corn was to lead to a contraction of tillage farming and the expansion of pasture. While all farming will tend to be unprofitable in a regime of falling prices, high output farming with high variable costs, that is tillage, will be relatively less profitable than low output pasturage. The solvency of both the landlords

12 Crotty, *Irish Agricultural Production*, p. 1.

and the remaining tenants was served by the consolidation of farms and putting them down to grass.

Further, the fall in price was not the same across the board. The prices of cattle and sheep fell less sharply, stabilized sooner, and recovered better than tillage prices. This was due to several factors including improved transportation, more severe competition in corn from the continent, and an increase in British dietary standards. All of these factors were added on top of Ireland's Atlantic climate which in the long term was comparatively more suited to grass than corn.

The expanding population produced by the previous regime of expanding prices and the tenure system made an immediate transition to pasture impossible. Nevertheless, Crotty argues, the rate of growth of population slowed and was stabilizing around the mid-century. This was accomplished by an increase in emigration and a decline in the birth rate. The Great Famine intervened to decisively accelerate a downward trend in population and an upward trend in farm size. Once started these two factors fed on one another. The consolidation of farms made much of the population redundant, raised emigration and lowered the birth rate. A declining supply of rural labour raised wage rates, encouraging pasturage and less use of labour.

This particular pattern of agricultural production was to have important consequences for Irish development. Its extensive character had the consequence of minimizing the rural labor force and consequently any home market for both agricultural products and manufactures that could have been generated from the rural sector. Secondly, the concentration of agricultural production on the export of live cattle minimized the links which could have been built between agriculture and industry, both in the supplying of agricultural inputs and in the processing of agricultural products. In this way the balanced development of the Irish economy was frustrated by its dependent relationship on the British economy.

The pushing of a significant portion of the population off the land is, however, not only a recipe for dislocation and misery in the short-term. It is also an essential condition for the inauguration of capitalist development, providing both a labour force and a potential urban market. Crotty's analysis of the structure of Irish agriculture in the nineteenth century, relying as it does on changes in relative agricultural prices, climate, and systems of land tenure, can at best only partially explain the failure of the Irish economy to industrialize in the nineteenth century. Crotty's 1979 article takes up this issue.

Crotty summarizes the argument in the following way:

Economic development at the core, involving the progression from cottage to factory production, gave economies of scale both in production and distribution. These scale economies made it profitable to concen-

trate labour and capital intensive production at the core, leaving the periphery to a greater or less extent, dependent on land intensive production. The degree to which this process of peripheralization occurred was exceptional in the case of England and Ireland.¹³

Essentially, Crotty is arguing that competing English imports depressed the demand for similar Irish products. This inevitably raised the unit costs of Irish production preventing Irish industry from effectively competing. The distance to major potential markets in Britain further increased costs. Wage reductions could not compensate because they further lowered demand and hence the scale of production and below a certain level they caused a massive rise in the death rate.

For these reasons, Irish industry failed to flourish despite an almost limitless supply of free labour. As a result, both labour and capital emigrated, contributing to the acceleration of development at the core.

Crotty's account of the factors affecting industry is sketchy. These same themes are taken up in more detail in 1981 by Eoin O'Malley.¹⁴ O'Malley develops in detail the view that Irish industrial development before the Union was reasonably healthy and relatively unaffected by either English restrictions or Irish Parliamentary protections. After the Union, Irish industry survived well until the depression of 1825-6. Prices for cotton and wool textiles fell during the depression and the larger British industries aggressively sought new markets in Ireland. Irish production fell precipitously as woollen production concentrated in Yorkshire and the cotton textile industry centralized around Lancashire and Glasgow. Meanwhile the linen industry concentrated in Belfast, saving the industry for the island, but putting home spinners out of work in Connaught and the remoter parts of Ulster.

This initial crisis was confined to textiles. Milling, brewing, iron-founding, shipbuilding, rope-making, paper and glass-making all expanded. A second industrial crisis emerged with the beginning of the 'Great Depression' in the 1870s. Economies of scale meant that significant advantage had passed to British producers in a number of other industries. Decline set in for Irish iron-founding, paper, bootmaking, rope-making, tanning, milling, and chandling. New industries, like consumer durables, automobiles, and electrical goods located in the south of England near major markets stretching from Birmingham to London.

O'Malley concludes by contending that many of the significant requirements for industrialization were in place in nineteenth-century Ireland including supplies of capital, cheap labour, a basic education system and competent

13 Crotty, 'Capitalist Colonialism', p. 226.

14 O'Malley, 'The Decline of Irish Industry'.

entrepreneurs. Nevertheless, Irish industry was unable to overcome the British advantages of large-scale and centralized production close to major markets. O'Malley concludes that 'even given quite favourable local conditions, free market forces can by no means be relied on to generate industrial development, or even to sustain existing employment, in a relatively late-developing economy in close competition with more advanced industrial countries.'¹⁵

Yoking the arguments of Crotty concerning Irish agriculture and O'Malley concerning Irish industry (this was done in O'Malley's 1989 volume on late industrialization) in the nineteenth century creates a complete analysis in the neo-Marxist dependency tradition. The insertion of the Irish economy into the international capitalist market led to a specialization in agriculture and a particular kind of agriculture which was inimical to further development through lack of spin-offs and the generation of a shrinking domestic market. Ireland in the nineteenth century was deindustrialized through cheaper competition with the British mainland. A number of subsequent treatments of Ireland and dependency theory have appeared since, including extended treatment of development questions in the context of the Irish Republic, but the outlines of the argument in regard to the Irish nineteenth century have remained similar. Ireland could be cited as one example of the development of underdevelopment.¹⁶

Marx and Engels on Ireland

Significantly, searching for the antecedents of dependency theory in the work of Marx and Engels takes us directly to their writings on Ireland. Engels first wrote about the Irish in his *Condition of the Working Class in England* in 1844, describing conditions in the Irish immigrant districts of Manchester.¹⁷ Engels became intimately involved with Mary Burns, an Irish immigrant, who introduced him to the working class movement in Manchester and to Irish political questions. He toured Ireland with her in 1856. He corresponded with Marx frequently on Irish questions and undertook to write a history of Ireland which he never completed. It was Engels who described Ireland as 'England's first colony.'¹⁸

¹⁵ Ibid. p. 41.

¹⁶ See especially Jim MacLaughlin, *Ireland: The Emigrant Nursery and the World Economy* (Cork, 1994); Ronnie Munck, *The Irish Economy* (London, 1993); Denis O'Hearn, 'The Irish Case of Dependency: An Exception to the Exceptions' in *American Sociological Review*, liv (August 1989), pp. 578-96; John Kurt Jacobsen, *Chasing Progress in the Irish Republic: Ideology, Democracy and Dependent Development* (Cambridge, 1994).

¹⁷ See Karl Marx and Frederick Engels, *Ireland and the Irish Question* (New York, 1972), pp 37-43.

¹⁸ Ibid., p. 83.

In addition to closely following Irish political developments, Marx devoted a section of *Capital* to analyzing contemporary events in Irish agriculture.¹⁹ Marx saw the consolidation of farms in Ireland as a further example of the accumulation of capital in agriculture. Marx located events in Ireland within the context of the British economy as a whole, arguing succinctly that 'Ireland is at present merely an agricultural district of England which happens to be divided by a wide stretch of water from the country for which it provides corn, wool, cattle and industrial and military recruits.'²⁰ Towards the end of this section of *Capital*, Marx observes presciently that Ireland's 'depopulation must go still further, in order that she may fulfil her true destiny, to be an English sheepwalk and cattle pasture.'²¹

Elsewhere Marx attributes these developments to the repeal of the Corn Laws and the consequent drop in corn prices combined with the opposite movement of the prices of cattle and wool. Those displaced by the increase in pasture were bound for the emigrant ship. Marx attributes the lack of opportunity for industrial employment to the opening of the Irish market to English industrial competition: 'The Union which overthrew the protective tariffs established by the Irish Parliament, destroyed all industrial life in Ireland ...'²²

These remarks on Ireland are notable in that they stand in contrast to Marx's more general view that trade, even though creating often violent dislocation, should bring with it the implanting of capitalist social relations and subsequent development. Marx's views on Ireland form a substantial part of the base in Marx's work for the later dependency view that exposure to the world capitalist market, far from bringing progress in its train, sponsored the development of underdevelopment.

Other Strands of Dependency

The development of the concept of dependency was not confined to its Marxist adherents. Members of the Economic Commission for Latin America (ECLA) school were reformulating their thinking along dependency lines. The motivating factor was the dramatic slowdown in economic growth in Latin America in the early 1960s along with a series of undesirable consequences of that growth which had occurred. Writers such as Furtado and Sunkel, leading members of the ECLA structuralist school, attempted to explain the undesirable consequences of the import-substituting industrialization which the ECLA had earlier recommended for the Latin American economies. Furtado

19 Ibid., pp. 99-116.

20 Ibid., p. 105.

21 Ibid., p. 115.

22 Ibid., p. 148.

emphasized cultural dependence, while Sunkel focused on dependence on foreign investment.

Writing in 1973, Furtado suggested an explanatory framework which identified cultural dependence as a critical causal factor in generating underdevelopment.²³ His thesis is centred on the transfer of technical progress from the developed world to the underdeveloped world, thereby facilitating spectacular increases in labour productivity in the periphery. Of the resulting surplus, some will be externally appropriated, but a portion will remain in the domestic economy. It is this latter portion to which Furtado directs his analytical attention, more particularly to the manner of its disposition. For Furtado,

The surplus remaining in the country was basically used to finance a rapid diversification of the consumption habits of the ruling classes through the imports of new products. It was this particular use of the additional surplus that gave rise to the social formations that we now identify as underdeveloped economies.²⁴

For Furtado, the central informing idea of this thesis is that 'consumption dependence' militated against capital investment by lowering the propensity to save. Given the continued expansion of new consumer goods from the centre, there is increasing pressure from elite domestic groups to raise their incomes and consumption. This is accomplished through an expanded volume of traditional exports and/or increasing the rate of exploitation of labour, thereby increasing the income inequalities within the economy. The interaction of external and internal processes, conjoined with what Nurkse had earlier termed the international demonstration effect, were for Furtado major inhibiting factors of long-term development in the periphery.

A similar pessimism is also contained in the work of Sunkel.²⁵ For Sunkel, the key influence is investment by the transnational corporation and the mainly negative impact of the ensuing linkages. Due to the influence of transnational capitalism, national autonomy is undermined and with it the capacity for self-sustaining development. While Sunkel is prepared to concede that transnational corporations can and do promote industrialization in the periphery, this growth will always be limited and based on technological dependence and backwardness relative to the metropolitan centres. Simultaneously, Sunkel argues that transnational capitalism reduces the capacity of indigenous accumulation to overcome the circle of backwardness, both through the generation

23 C. Furtado, 'Underdevelopment and Dependence: The Fundamental Connections', Seminar Paper, Centre of Latin American Studies, Cambridge University (1973).

24 *Ibid.*, p. 2.

25 O. Sunkel, 'Transnational Capitalism and National Disintegration in Latin America' in *Economic and Social Studies*, xxii, no. 1 (1973), pp. 132-76.

of net capital outflows and through the promotion of consumerism, with the latter lowering the national savings rate. While Sunkel documents and analyzes an array of negative impacts arising from the presence of transnational corporations in the periphery, he offers no policy solutions in either the economic or political domains.

The later ECLA writers concentrated on the salient characteristics and mechanisms which operated within the periphery. This was in contrast to their contemporaries in the neo-Marxist school, whose aim was the more ambitious project of theorizing the evolution of the world capitalist system as a whole. What Palma identifies as the third approach to dependency studies carries this approach further in emphasizing the diversity of conditions in the periphery and the consequent diversity of dependent relations.

This approach is based on the work of Cardoso and Faletto.²⁶ While it shares much in common with the two other approaches already discussed, it differs in its relative and strategic emphasis. This third approach gives greater emphasis to the possibility for internal generation of change. For Cardoso and Faletto a basic assumption underlying their analysis is that social structures are not immutable:

It is necessary to recognise from the beginning that social structures are the product of man's collective behaviour. Therefore, although enduring, social structures can be, and in fact are, continuously transformed by social movements. Consequently, our approach ... emphasises not just the structural conditioning of social life, but also the historical transformation of structures by conflict, social movements, and class struggles.²⁷

They are concerned with contemporary dependence and they note that new forms of dependency will in turn give rise to new social and political adaptations and reactions inside the dependent countries.²⁸ They devote considerable energy to analyzing the complexities of the social divisions these adaptations generate and identifying who are the direct and indirect beneficiaries of dependent development. Consequently, their view of the internal domestic lines of social class division is more nuanced and complex than that provided by either the neo-Marxists or the ECLA school.

For Cardoso and Faletto, the diversity of conditions prevailing within the periphery in the economic, social and political domains renders it impossible to generalize with respect to either the impact of dependency relations or the

26 Cardoso and Faletto, *Dependency and Development*.

27 *Ibid.* p. x.

28 F.H. Cardoso, 'Dependency and Development in Latin America' in *New Left Review*, lxxiv (1974), pp. 83-95.

conditions pertaining to their continuation. Peripheral economies are not monolithic or homogenous. On the contrary, the diversified morphology that constitutes the underdeveloped world, be it in resource endowment, timing of integration into the international system, or the level of economic development, militates against generalization. Central to this analysis is the balance of political forces in individual countries of the periphery. In contrast to the neo-Marxist position, Cardoso and Faletto insist on the specificity of individual countries with respect to historical trajectories and by implication to capacities to negotiate their particular relations of dependency.

A Modern Institutional Account

An analysis of the Irish nineteenth century which is broadly similar to the Cardoso and Faletto approach can be found in Lars Mjoset's recent work for the National Economic and Social Council (NESCC).²⁹ Mjoset grants the salience of the Crotty-O'Malley argument that much of the character of the Irish nineteenth-century economy can be explained by its insertion into the British and beyond this into the wider international capitalist economy. Mjoset places special emphasis on Crotty's observation that the Irish economy increasingly specialized in extensive agriculture, specifically the export of live cattle. Mjoset accepts that this development is particularly important in encouraging emigration, inhibiting the growth of domestic demand, and discouraging linkages between the agricultural and industrial sectors. Like Cardoso and Faletto, however, Mjoset allows for an element of social choice in the manner of adjustment to immutable external realities.

Referring to the Swiss success in deepening its industrialization during the nineteenth century under a regime of open trade, Mjoset contends that the Irish experience of deindustrialization was not inevitable. Mjoset argues strongly that a sole reliance on external factors as explanation is bound to be inadequate and that a complete explanation must also refer to the specific internal features of the society in question. With regard to Ireland, he contends:

Certainly, British rule cannot be made fully responsible for these economic adjustments by the middle classes with respect to price developments and British reforms. Their adjustments were determined by class interests under the constraints of Irish geo-climactic conditions. We need to look at the internal structures which evolved, internal features which are displaced by explanations which refer to English oppression.

²⁹ Lars Mjoset, *The Irish Economy in a Comparative Institutional Perspective* (Dublin, 1993).

After all, British control gradually receded, and social structures specific to Ireland evolved in that process.³⁰

Among these specifically Irish social structures, Mjoset identifies the character of nationalist mobilization and land reform, the influence of the Catholic Church, and the paternalistic family structure.

The famine at mid-century swept away the poorer classes on the Irish landscape, small holders, cottiers, and landless labourers. This demographic change was preserved and intensified through continuing emigration. The departure of the less well-off left behind a more homogenous group of middle-class tenant farmers, who in agitating for land reform and national independence rejected further redistribution or nationalization of land. Mjoset agrees with Lee that this created a conservative 'possessor' mentality which spread throughout Irish society.

The role of the Catholic Church in providing a rallying point for Irish national identity led to its entrenchment at the centre of Irish life. As other societies became increasingly secular, Ireland underwent a 'devotional revolution' in the aftermath of the famine. The authoritarian and bureaucratic nature of the Church reinforced conservative tendencies within the emerging nation. The practice of impartible inheritance which developed after the famine reinforced the culture of emigration for non-inheriting sons and daughters, and led to an authoritarian, essentially conservative family structure.

Mjoset lays great stress on all of these factors in creating a deficient or non-existent national system of innovation within Ireland. In the spirit of Cardoso and Faletto's integration of internal factors in dependency analysis, Mjoset argues that the peculiar character of Irish social institutions are important in conditioning the particular response of the Irish economy to its dependent relationship to British capitalism in the nineteenth century. Mjoset further holds out the hope that the reform of Ireland's national system of innovation can alter the trajectory of the country's future development.

Institutionalist Forerunners

As with the neo-Marxist dependency perspective, forerunners of Mjoset's analysis can be located within the Irish nineteenth century itself. These antecedents can be found in three interrelated developments. The first is the introduction of Comtist social science to Ireland. The second is the emergence of the British school of historical economics in Ireland. Finally, the academic recovery of the Brehon Law tradition under the influence of Sir Henry

³⁰ *Ibid.*, p. 241.

Maine's historical jurisprudence was utilized to justify the necessity of sweeping land reform in Ireland.

Comtist sociology as a system was enthusiastically introduced to Ireland by John Kells Ingram. Ingram held that political economy could not be isolated from other branches of social science. Indeed, economics must be considered a subordinate branch of the more inclusive science of sociology and could only be understood with reference to society as a whole. This understanding of the economy was bound to accord more importance to the differing political and cultural institutions of various times and places. Comte's sociology was historicist in that in common with other strands of thought at this time it held that explanation of social phenomena rested in historical development.

On the one hand, Comte's system was positivist in that it held that all social phenomena were data from which a comprehensive science of history could inductively be built. On the other hand, Comtists held that the object of an improved understanding must be an improvement in the moral basis of society. Comte went so far as to establish an alternative religion of 'humanity.' All of these aspects of Comte's thought were vigorously propounded by Ingram. The positivist methodology was pursued in practice by the newly founded Statistical and Social Inquiry Society of Ireland.³¹

The second post-famine development in Irish social science is the birth of the British historical school of economics. Irish economists had a disproportionate influence in the formation of this school. Ingram was a prominent proponent and published the only full-scale treatment of the history of economic thought from the historical point of view.³² Even more influential was T.E. Cliffe Leslie. Leslie began what has been called the English Methodenstreit in a series of articles in the 1870s. Leslie argued against what he considered to be an overly abstract deductivism in classical political economy. He contended instead that economic understanding must advance through the inductive consideration of the specific character of particular economies. Like the later dependency theorists, Leslie resisted the temptation to construct universal generalizations about what must remain individual situations. Influenced by the work of Sir Henry Maine, Leslie believed that explanation must rest with the historical development of particular times and places.³³

31 See John K. Ingram, 'The Present Position and Prospects of Political Economy' in R.L. Smyth (ed.), *Essays in Economic Method* (London, 1962); Robert B. Ekelund, 'A British Rejection of Economic Orthodoxy' in *Southwestern Social Science Quarterly*, xlvii (1966), pp. 172-80.

32 John K. Ingram, *A History of Political Economy* (Edinburgh, 1888).

33 Gerard M. Koot, 'T.E. Cliffe Leslie, Irish Social Reform, and the Origins of the English Historical School of Economics' in *History of Political Economy*, vii, no. 3 (1975), pp. 312-36; Gregory C.G. Moore, 'T.E. Cliffe Leslie and the English Methodenstreit' in *Journal of the History of Economic Thought*, xvii (Spring 1995) pp. 57-77.

Like Cardoso and Faletto, the English historical economists in Ireland saw their approach as consistent with social reform. Ingram saw his project as 'describing objectively existing economic relations, not as immutable necessities, but as products of a gradual historical past, and susceptible of gradual modification in the future ...'³⁴ Leslie's conviction of the inadmissibility of universal principles led him to reject the English land ownership pattern as the solution to Ireland's agricultural ills. Instead, he fervently supported peasant proprietorship.

The third current to emerge in Ireland in the post-famine period was the application of the historical jurisprudence of Sir Henry Maine to the study of the Celtic Brehon Law tradition. Maine argued that social norms were the result of a long historical and evolutionary process. No programme, however advanced, could succeed if it found itself at variance with prevailing, historically established custom. In societies less advanced than Victorian Britain, the customary was to be given more weight than the contractual.

The Irish application of these principles found expression in the publication of *The Ancient Laws and Institutes of Ireland* in six volumes by the Brehon law commission. Work on the first four volumes was begun by Eugene O'Curry and John O'Donovan. Following their deaths, the work was taken up by W.N. Hancock and A.G. Richey, professors of political economy and jurisprudence at Trinity College. Inspired by Maine's approach, Hancock and Richey reconstructed the character of early Irish society, finding it based on kinship and status, and, crucially, joint ownership of property. The contemporary social organization of Ireland was in their view closer to this earlier Celtic order than to present day English society. This observation led them to defend the customary rights of the Irish tenantry and to support the institution of peasant proprietorship. Both were influential in the passage of subsequent land legislation.³⁵

Critics of Dependency: Nineteenth and Twentieth Centuries

The major critique of the dependency approach is that it lends too much weight to forces external to the local economy. A more comprehensive explanation, critics contend, would involve a much greater emphasis on structures and institutions at the local level which condition growth and development. Modernization theory represents a simplistic version of this kind of critique. Modernization theory is in many ways the inverse of the dependency argu-

34 Quoted in A.W. Coats, 'The Historist Reaction in English Political Economy 1870-1890' in *Economica* (May 1954), p. 149.

35 See Clive Dewey, 'Celtic Agrarian Legislation and the Celtic Revival: Historicist Implications of Gladstone's Irish and Scottish Land Acts 1870-1886' in *Past and Present*, lxiv (August 1974), pp. 30-70.

ment. While dependency theory argues that exposure to the world market tends to lead to the development of underdevelopment, modernization theory contends that only integration into the world market can lead to growth and development. This integration can most effectively take place with the creation of 'modern' institutions, values, outlooks, and norms of behaviour. Failure to modernize in this way retards the full development of the markets and leads to economic inefficiency.

Much conventional Irish historiography of the nineteenth century implicitly or explicitly shares this view.³⁶ Modernization theory has strong parallels with the classical political economy perspective which dominated Irish academic thought in the first half of the nineteenth century. An education in liberal principles and an extension of the unfettered market were held to be the solution to the problems faced by the Irish economy.³⁷

This approach, both in its nineteenth and twentieth-century versions, fails at least partially because it has been tried and did not work. While the dependency approach may be criticized for lending insufficient weight to domestic factors in explaining underdevelopment, it does demonstrate that an uncritical embrace of liberal market institutions is unlikely to be effective. In positing modernity as a uniform goal towards which all successful development in all places tends, modernization theory ultimately also ignores the specificity of local conditions.

The 'modes of production' school also criticizes the weight given to external explanation in dependency theory, this time from a Marxist perspective. This school argues that metropolitan-style development is a phenomenon of the capitalist mode of production. The failure of peripheral areas to develop is due to the persistence and dominance of precapitalist modes of production which lack the accumulative dynamic of capitalism. The 'modes of production' school contends that articulation with the imperial capitalist economy tends to reinforce these precapitalist modes, at least initially.³⁸ This kind of analysis applied to the Irish nineteenth century is taken up currently in the work of Slater and McDonough.³⁹ They argue that much of the character of the Irish economy in this period is explained by the persistence of feudalism into quite late in the nineteenth century.

As with the other schools of thought, antecedents can be found in the nineteenth century. While in the first volume of *Capital*, Marx predicted the

36 See for example, Joseph Lee, *The Modernization of Irish Society, 1848-1918* (Dublin, 1989).

37 See Thomas A. Boylan and Timothy P. Foley, *Political Economy and Colonial Ireland* (London, 1992).

38 For a useful discussion of this perspective, see Brewer, *Marxist Theories*, pp. 225-59.

39 Eamonn Slater and Terrence McDonough, 'Bulwark of Landlordism and Capitalism: The Dynamics of Feudalism in Nineteenth-Century Ireland' in *Research in Political Economy*, xiv (1994).

establishment of capitalist relations in Irish agriculture, he seems to call this conclusion into question in volume three, probably written five years later in 1870. In an analysis of capitalist rent, Marx contends that in Ireland ground rent only 'formally exists, without the capitalist mode of production itself'.⁴⁰ He then goes on to analyze the continued exploitation of tenants by landlords. Comments by Engels in correspondence in 1888 and 1890 echo these observations, with Engels contending that Ireland has yet to 'pass from semi-feudal conditions to capitalist conditions'.⁴¹

While this paper has centrally concerned itself with the dependency school, it is interesting to note, in conclusion, that all the major modern approaches to analyzing the political economy of Ireland in the nineteenth century can find strong antecedents among nineteenth-century social scientists.

40 Marx and Engels, *Ireland and the Irish Question*, p. 117.

41 *Ibid.*, p. 343.