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**Working Paper**

Éirvana

UCD Centre for Economic Research Working Paper Series, No. WP08/12

**Provided in Cooperation with:**

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*Suggested Citation:* Ó Gráda, Cormac (2008) : Éirvana, UCD Centre for Economic Research Working Paper Series, No. WP08/12, University College Dublin, UCD School of Economics, Dublin, <https://hdl.handle.net/10197/480>

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*UCD CENTRE FOR ECONOMIC RESEARCH*

*WORKING PAPER SERIES*

*2008*

**Éirvana**

Cormac Ó Gráda,  
University College Dublin

WP08/12

April 2008

**UCD SCHOOL OF ECONOMICS  
UNIVERSITY COLLEGE DUBLIN  
BELFIELD DUBLIN 4**

ÉIRVANA<sup>1</sup>

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<sup>1</sup> This is an extended version of a contribution to a symposium in the *Economic and Social Review*. The helpful comments of colleagues Ann Carlos, Kevin Denny, Colm McCarthy, David Madden, John Sheehan, and Brendan Walsh are gratefully acknowledged.

Bliss was it in that dawn to be alive,  
But to be young was very heaven!

William Wordsworth

'Cause there's still a lot of wine and lonely girls  
In this best of all possible worlds.

Kris Kristofferson

Now that Ireland's misery index (the sum of its unemployment and inflation rates) has edged above ten per cent and aggregate employment has virtually stopped growing, was calling a book on the social impact of the Celtic Tiger 'Best of Times?' tempting luck? With economists worrying about competitiveness and property prices suffering a meltdown likely to last for some years, was such bullishness on the part of the editors – Tony Fahey, Helen Russell, and Chris Whelan – and their team of skilful social scientists not a little complacent? Maybe so: we should know in a few months. Still, there is a big difference between today's economic worries and the extreme 'doom and gloom' of the 1980s, and the prospects of Ireland returning to a pre-Celtic Tiger status quo ante are remote. Nowadays a period of less hectic economic growth or

temporary stasis – if that is the worst that is in store – would hardly be a disaster for most people. Some might even welcome it.

Not so long ago, it was a different story. As recently as 1987, the year of Italy's famous *sorpasso* over Margaret Thatcher's Britain, Irish GDP per head was less than two-thirds that of Italy. Eleven years later Irish GDP per head overtook Italian GDP per head, and in the following year UK GDP per head. Irish GNP per head – a more meaningful measure for Ireland, given the drain of profits and royalties accruing to foreign-owned multinationals – overtook Italian GDP per head in 2001 and UK GDP per head in 2004. It was an extraordinary achievement.

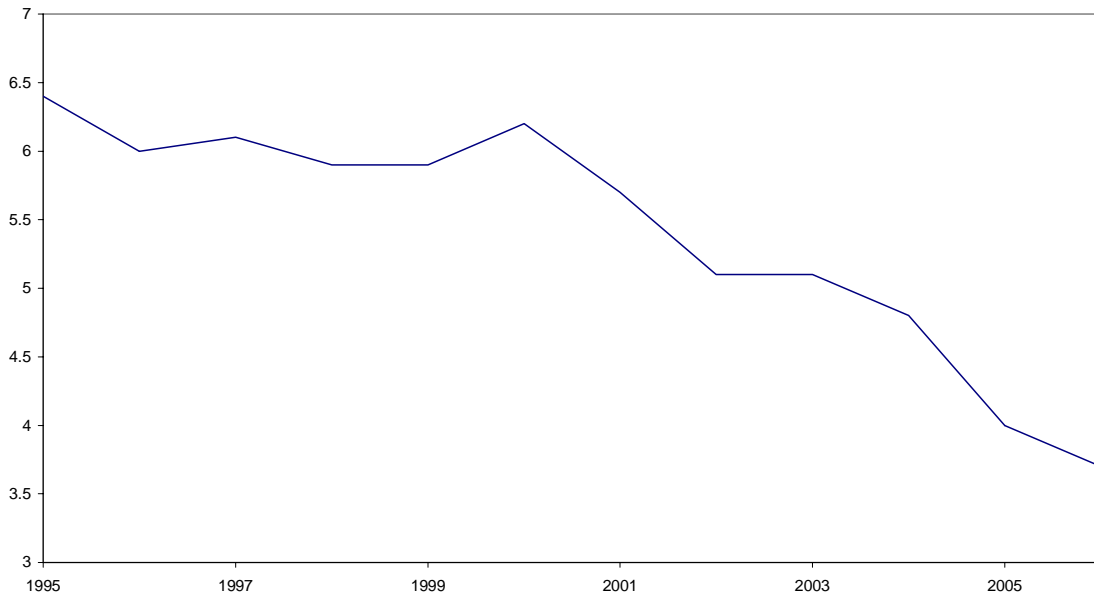
Man liveth not by bread alone, however, and one of the common criticisms of the Celtic Tiger is that its material gains have come at a cost in terms of social cohesion, alienation, and dislocation. Not so, argue the contributors to *Best of Times*. In a series of mainly persuasive essays on a wide range of topics the authors – mainly present or former associates of Dublin's Economic and Social Research Institute [ESRI] – write up the achievements of the last two decades or so. While acknowledging problems in areas such as drug addiction and a rising homicide rate, they paint a picture of an Ireland that really 'has never had it so good'. The problems that remain are 'manageable' (p. 264). What a contrast with an earlier socio-economic survey from the ESRI, *Understanding Contemporary Ireland* (1990)! That volume, published when the Celtic Tiger was still a cub, was utterly innocent of the transformation already in train.

The broad case made by *Best of Times* is unassailable. It implies, though it does not address, the high costs of poor policy-making before the mid-1980s: had the Irish economy followed more closely the growth trajectory of the rest of Europe since the 1950s, the benefits described by its contributors would have been enjoyed by more people and for much longer. Here I focus on some very recent changes in social and personal wellbeing, sudden and largely overlooked in the media, and not given due consideration by Fahey, Russell, and Whelan (henceforth FRW). Some of the changes are too recent to be expected in *Best of Times*; perhaps others might have been included, although it is in the nature of such collective endeavours that they can never be quite up-to-date. These changes are arguably as striking as – and more puzzling than – the trends described in the book itself.

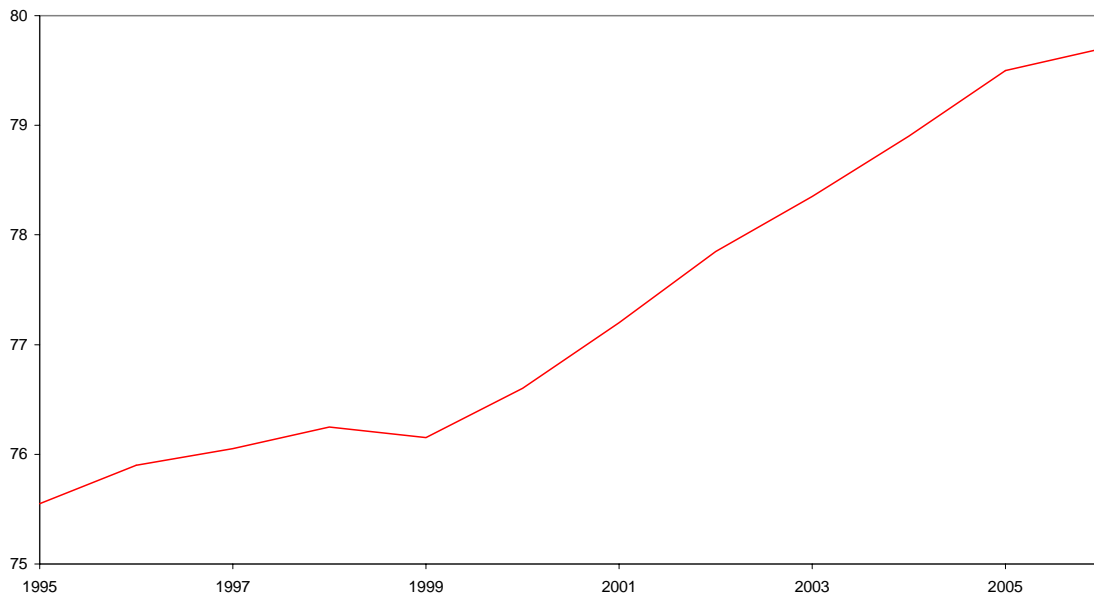
*First* is the sharp and unexpected acceleration in the rate of improvement in the expectation of life at birth, highlighted in recent papers by statistician Shane Whelan (2008) and economist Brendan Walsh (2008), and not captured in *Best of Times* (pp. 107-110). Figures 1a and 1b describe the sharp rise in life expectancy at birth that began in 2000 and the accompanying drop in infant mortality from 1999 on. The increase in the expected life span between 2000 and 2006 was almost as big as that in the preceding two decades. This is important because, obviously, the length of time consumers enjoy any given level of consumption contribute to economic wellbeing just as well as increases in average consumption levels do. Enjoying an annual income of €100,000 for fifty

years is preferable to enjoying it for thirty. A specialist economics literature describes how to evaluate the increased welfare associated with such shifts; and accounting for it would undoubtedly add significantly to the achievements of recent years (Ó Gráda 2007). It would also temper the rising income inequality ably documented by economists Brian Nolan and Bertrand Maître in *Best of Times* (FRW, Chapter 3), since the rise in life expectancy has been much more equally spread than that in incomes (compare Becker, Philipson, and Soares 2005) and in Ireland seems to have been enjoyed fairly equally across counties.

**Fig. 1a. Infant Mortality Per 1,000 Births, 1995-2006**



**Fig. 1b. Life Expectancy at Birth, 1995-2006**



*Second*, for all the recent and current media commentary about Ireland being awash in alcohol, per capita alcohol consumption, although still worryingly high, peaked in 2001-02 (compare FRW, pp. 1, 105-06). Beer consumption (measured in units of pure alcohol) per adult had already peaked almost a decade ago (in 1999). Despite all those Bulmer commercials, cider consumption per head peaked in 2001, while spirits consumption per head peaked in 2002. Only wine consumption, five times as high now as two decades ago, continues to rise (Hope 2007: App. 3; for Britain, compare Creagh 2008).

Perhaps the decline in alcohol consumption helps to explain why, despite the vast increase in car registrations and road traffic, the number of fatalities in road accidents has continued to fall. Road Safety Authority data shows that



numbers killed in road accidents has plummeted from 338 per million registered vehicles in 1996 to 247 in 2000 and 159 in 2006, with a further significant decline likely in 2007.<sup>2</sup> Indeed, the number of persons killed on our roads peaked at over 600 as long ago as 1972; it was 365 in 2006! Presumably data describing fatalities per passenger kilometre – a more appropriate measure – would reveal an even greater decline in the fatality rate. Here too the gap between reality and media perception is wide, as seen in the recent screed from ‘a little woman in a little orange car, a non-speeding, non-drink-driving blonde’, the *Irish Independent*’s Medb Ruane:

Accidents happen -- it's awful but inevitable. A puddle on the road, a sleepy feeling, even an unexpected sneeze convulsing a driver, can make the difference between health and injury, life and death. You're fragile when you're in a piece of metal called a car, even if you feel secure.

None of the above license people in road policy, safety and traffic management to trot out excuses about bad driving behaviour *when numbers are rising, not falling, despite all the fanfare.*

This is substance, not image, and actions are what count.

*To witness increased fatalities* – after politicians swearing they're committed to change and trumpeting initiatives like the Garda Traffic Corps – is to witness a political and institutional failure so

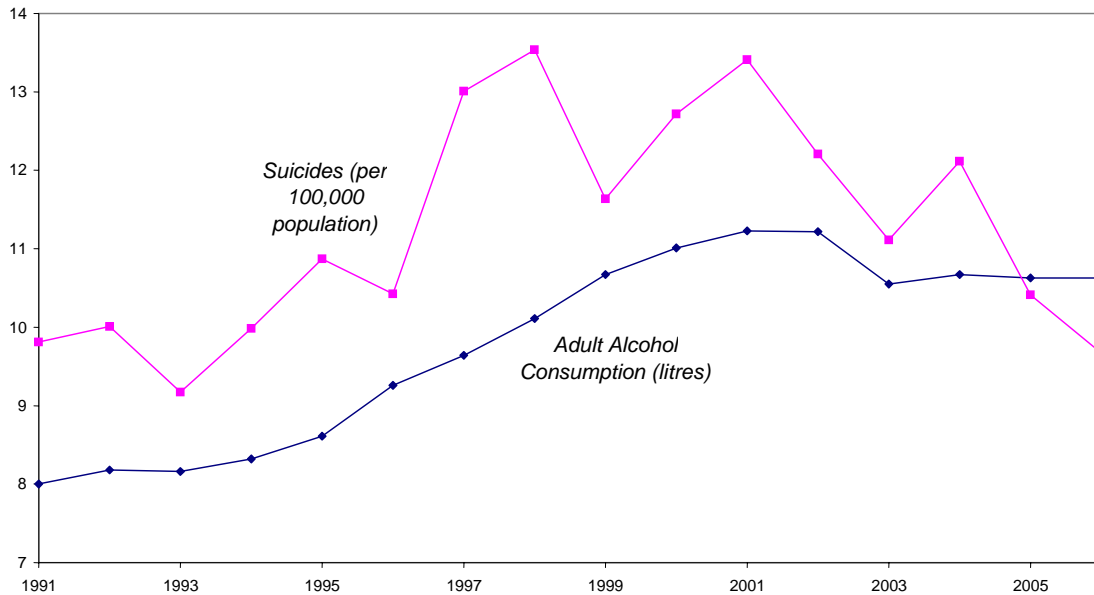
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<sup>2</sup> ‘Lethal indifference that drives up road carnage’, *Irish Independent*, March 4 2008

massive it is unprecedented almost anywhere in Europe [emphasis added].

Is it not somewhat ironic that two high-profile state bodies, the Implementation Group Established to Progress Recommendations Aimed at Tackling Alcohol Misuse and the Road Safety Authority, were both established in 2006, some years after the social problems they were intended to target had peaked? Such groups can do useful work and address serious issues, but they have a vested bureaucratic interest in highlighting the gravity of the problems they address and in claiming credit for improvements that were in train in any case. A proper perspective on the challenges facing them is surely needed when devising solutions and allocating what public resources are available across *all* problem areas.

Figure 2. Alcohol Consumption and Suicide Rates, 1991-2006



*Third, Best of Times* shows that, despite the current vogue for stress management counselling and the like, psychological stress levels fell during the Celtic Tiger years (FRW, pp. 21-22, 212-15). This claim is strongly supported in recent research by UCD economist David Madden (2007), who reports a reduction in mental stress in Ireland between 1994 and 2000. Madden's decomposition analysis shows that features associated with the Celtic Tiger — better employment prospects, rising education levels, and higher incomes — accounted for much of the decline.

A more extreme and distressing measure of mental health is the suicide rate. A study published by the Central Statistics Office in 2005 noted that that 'there was a definite trend upwards in the suicide rate in recent times,

particularly among males aged 15-24' (Heanue 2000: 37; see too Corcoran, Arensman, and O'Mahony 2006), and OECD data suggest that between 1980 and 2000 youth suicides per head of population grew faster in Ireland than anywhere else in the developed world. At the end of the old millennium the suicide rate in the population as a whole was less than the OECD average, but the youth suicide rate was second only to Iceland's. The current rate is about nine suicides per 100,000 population; four-fifths of the victims are male, and half the total under twenty-five. There is a real problem here, and the numbers only hint at the scale of the heartbreak and loss involved.

However, the suicide rate, measured relative to the whole population, has been falling in the new millennium (Figure 2). On the basis of data up to 2002, *Best of Times* notes a fall in the male suicide rate since 1998 (FRW, pp. 109-10), but the fall has been much sharper since then. There were 457 recorded suicide victims in 2004, 431 in 2005, and 409 in 2006. Here too there is a gap between journalist rhetoric and statistical reality; one recent daily newspaper report has a junior minister vowing to cut suicide rates by a tenth; another links the rise in suicides to 'the closure of rural pubs'.<sup>3</sup>

*Fourth*, some commentators may find it tempting to link Irish economic success to the declining influence of the Catholic Church. This application of the Weber-Tawney thesis would consider the secularization that has brought

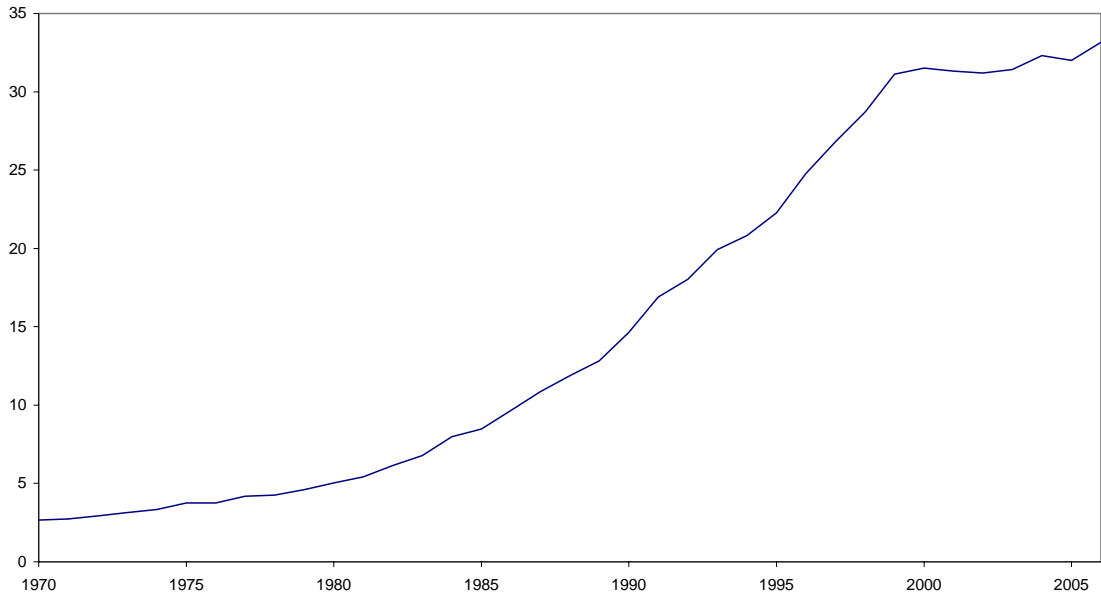
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<sup>3</sup> 'Junior Minister Devins vows to cut suicide rate by 10%', *Sunday Independent*, August 26<sup>th</sup> 2007; 'Suicide rise linked to closure of rural pubs', *Irish Examiner*, February 14<sup>th</sup> 2008.

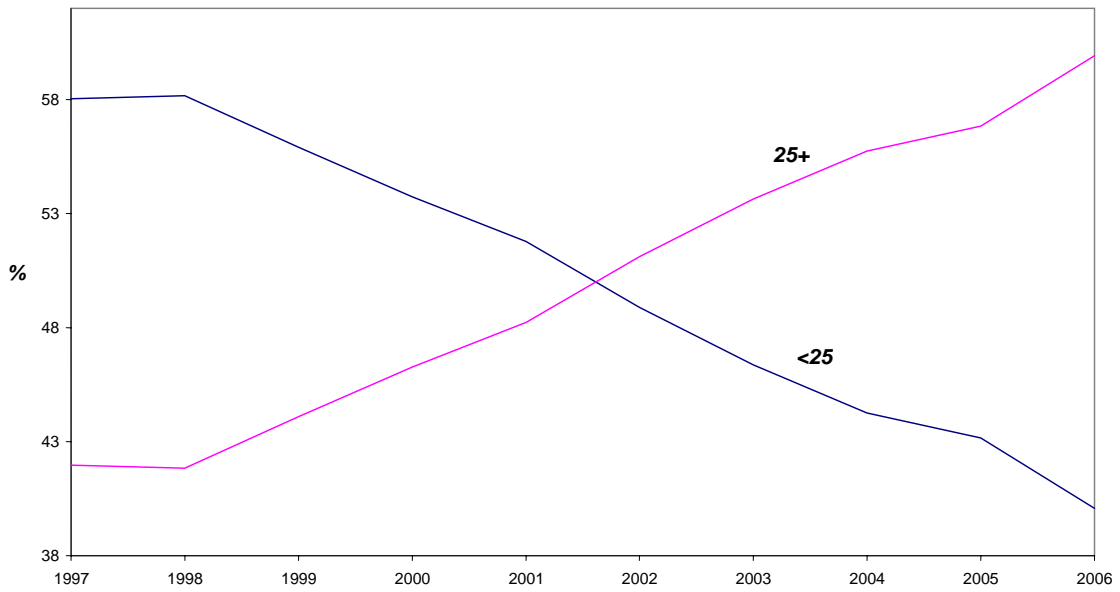
increases in single parenthood, in divorce and marital breakdown, and in unplanned births and abortions as part of the process that also created the Celtic Tiger (for a rather extreme version of this argument see Bloom and Canning 2003; compare FRW, pp. 155-74).

In this case too, very recent changes muddy the water. While both the proportion of births outside marriage and the number of abortions rose in the 1980s and 1990s, there is evidence of shifting patterns in both in the very recent past. Figure 3 describes the trend in the proportion of births outside marriage since 1980 (see too FRW, pp. 165-67). The levelling off is significant, but more important is the downward trend in births to younger women. Teenage births, mostly extra-marital, surged from 1.6 per cent of all births in 1960 to 3.3 per cent in 1980, and peaked at 6.3 per cent in 2001. Their share fell to 4 per cent of the total in 2005 and 3.7 per cent in 2006, while the total number has fallen from 3,371 in 1999 to 2,410 in 2006. Moreover, a decade ago the share of extra-marital births by mothers aged less than 25 years was 58 per cent; today it is down to about 41 per cent (Figure 4). The change is also reflected in the increase in the average age of unwed mothers when their children were born from 23.6 years in 1990 to 27.1 years in 2006. In the case of married women, the rise was from 30.6 to 32.9 years. Presumably many, if not most, of the children born outside marriage to older women are 'planned' and associated with stable and viable family units.

**Figure 3. Percentage of Births Outside Marriage 1970-2006**



**Figure 4. Births Outside Marriage by Age, 1997-2006**



Was the reduction in teenage births associated with a reduction in teenage conceptions? Here data on abortions carried out on Irish residents travelling across the Irish Sea offer a partial answer. Overall, since 2001 there has been a significant reduction in the number of abortions carried out on Irish residents in the UK (Figure 5). The shift tallies with the impression to be gained from Figure 4 that the proportion of ‘crisis’ pregnancies has been declining. It is sometimes claimed that increasing recourse to abortions elsewhere distorts the impression given by British data. However, recent data from Belgium and the Netherlands – the countries highlighted most in this respect by pro-choice activists – would also seem to rule out any significant increase in the traffic from Ireland.

Equally striking is the reduction in the number of terminations by young women as a proportion of the total (Figure 6). At the same time there has been a rise in the proportion of teen pregnancies that ended in terminations. For other age groups there have been slight falls in the recent past in the proportions ending in terminations.

Figure 5. Induced Abortions: Irish Residents, 1991-2005

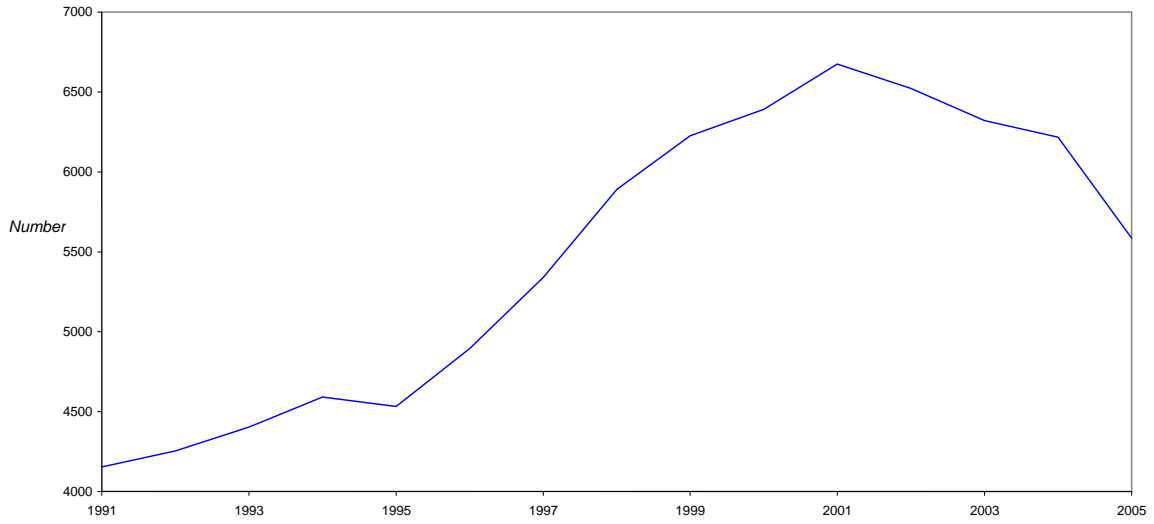
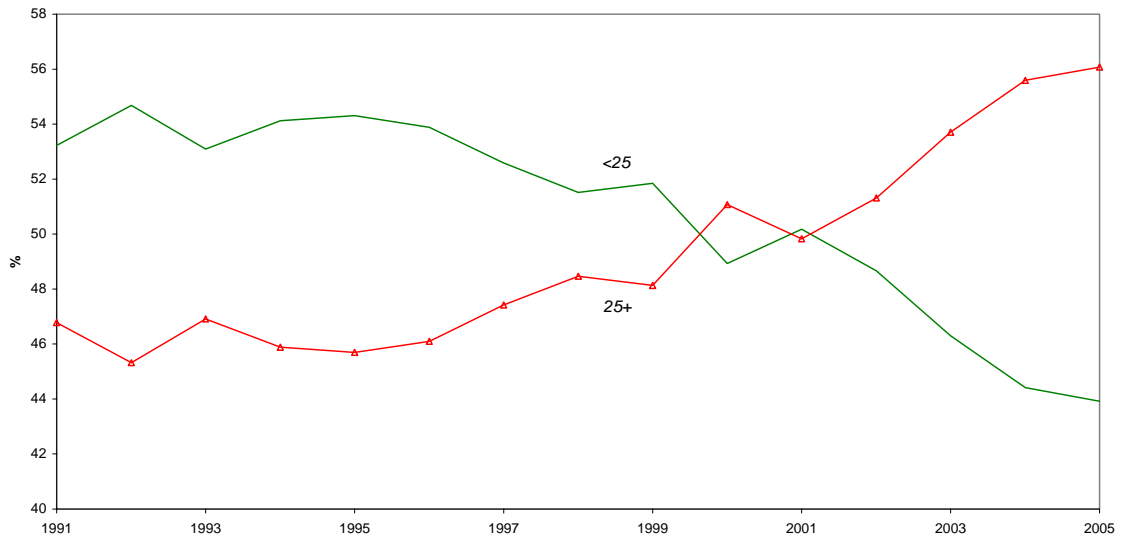


Figure 6. Induced Abortions: Percentages <25 and 25+ Years, 1991-2005





Although these are indeed the *Best of Times*, Panglossian claims that these are the best *possible* times and that they are irreversible should be discounted. After all, a significant minority in the community continues to be ‘socially excluded’ from the boom or have benefited little from it (compare Jacobsen, Kirby, and Ó Broin 2006). Moreover, the link between material affluence and life satisfaction is not straightforward. Figures 7a and 7b, based on Eurostat data from Brussels, plot the trends in life satisfaction in Ireland since 1973, as reported to opinion surveyors on behalf of *Eurobarometer*. The index is based on a weighted average of responses to a standard set of questions about happiness by large, random samples of people. In Figure 7a, both the sharp decline in the index to 1988 and its recovery thereafter are plausibly squared with broad macroeconomic trends. At the same time, it is rather striking that by this criterion the average Irish resident feels no better about himself or herself today than the previous generation did in the early 1970s.<sup>4</sup>

Nobody quite knows why this is so. One straw in the wind may be the results of a quirky 2006 study of loneliness by Google Trends.<sup>5</sup> It calculated the number of internet searches for the word ‘lonely’ divided by total number of Google searches in different places across the globe, on the plausible assumption

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<sup>4</sup> That does not mean, of course, that Seán or Sinéad Citizen, cast back into the 1970s by a time-machine, would be just as happy with their lot as they are now.

<sup>5</sup> The results are reported at <http://www.google.com/trends?q=lonely> [last accessed 1<sup>st</sup> April 2008].

that there was a link between such searches and how people felt when they searched. It found that Ireland topped its country listings (followed by Singapore and New Zealand) and Dublin (followed by three Australian cities) its city listings. Such outcomes may be reminders – like Kris Kristofferson’s song – that the connection between riches and happiness is looser than most economic and political commentators are inclined to assume.

Figure 7b charts the trend in the *spread* of happiness across the community. It hints at a negative association between the spread and average happiness; the correlation coefficient between the two over nearly three and a half decades (1973-2006) is a striking -0.68, while that between their first differences is -0.22. To find a reduction in the variation in happiness at a time of rising income inequality is curious. Perhaps it is telling us two things. First, the huge drop in the unemployment rate since the late 1980s – nearly twenty per cent then, about five per cent now – may have played a more important part in the happiness stakes than the huge income gains of the filthy rich at the very top end of the socioeconomic ladder. Second, insofar as unemployment and deprivation concerned not just those most immediately affected, the reduced variation in life satisfaction may have boosted the overall sense of wellbeing in the society as a whole. There is a double reason, then, to avoid major increases in unemployment as the economy adjusts to some new post-Celtic Tiger steady state.

**Figure 7a. Life Satisfaction: Ireland, 1973-2006**



**Figure 7b. Life Satisfaction, 1973-2006: Annual Variation Across Individuals**



Finally, as Brendan Walsh (2008) has noted, accounting for the sudden shift in Irish mortality rates in the new millennium is ‘a challenging task’. The trouble is that many of the factors that might account for such a shift ‘changed gradually over time’. Walsh’s comment has a broader resonance. Like the change in life expectancy, the near-coincidence in timing of shifts in several other demographic measures is remarkable and remains puzzling. Which raises the still unanswerable question: which of these changes are permanent, and which are reversible? As the late Zhou Enlai might have replied, ‘it is a little too soon to say’.

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