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Author(s): Frank Long

Source: *The American Journal of Economics and Sociology*, Apr., 1980, Vol. 39, No. 2 (Apr., 1980), pp. 137-150

Published by: American Journal of Economics and Sociology, Inc.

Stable URL: https://www.jstor.org/stable/3486253

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Foreign Capital and Development Strategy in Irish Industrialization, 1958–70

By FRANK LONG *

ABSTRACT. In the 1930s the government of the *Irish Republic* instituted an import substitution *economic development* strategy to diversify *economic activity*. This potential was later exhausted. In 1958 a new strategy was adopted, emphasizing the use of *foreign capital* and reliance on the *external market*. It yielded many benefits, detailed in this paper, but involved a number of shortcomings associated with *multinational corporations* when they *operate* in *less developed countries*. These are specified. Current policy since 1973 seeks to mobilize local resources and promises mitigation of some of the problems. But it is not adequate to reduce some of the central problems arising from the reliance on foreign capital.

I
INTRODUCTION

THE ORIGINS of an industrial development strategy (in the sense of a consistent set of policy instruments and goals) in the Irish Republic date back to the 1930s. Then, the economy was still predominantly agricultural. The government decided to implement a policy of import substitution as a means of diversifying the structure of production and of stimulating economic development. Given the small internal market which existed at the time, the limits of import substitution industrial development were soon reached and the policy had to be abandoned. This paper is essentially a discussion of the post-import-substitution industrialization in the Irish Republic which began in 1958.

The main distinction between the post-1950 industrial experience and that of the earlier period is the presence of foreign capital and the emphasis on the external market as the central criteria for industrialization. Import substitution on the other hand, relied heavily on local capital and the local market. The post-1950 industrial experience of the Irish Republic was, however, by no means uniform. Two trends are detectable between 1958 and early 1970 (phase 1), a major

* [Frank Long, PhD., is a member of Wolfson College, Oxford University and visiting research fellow, Queen Elizabeth House, Oxford.] An earlier version of this paper has benefited from comments by Lady Ursula K. Hicks of Linacre College, Oxford University, and by S. Sideri of the Institute of Social Studies, The Hague. Needless to say, the author is solely responsible for any remaining errors or omissions.

American Journal of Economics and Sociology, Vol. 39, No. 2 (April, 1980).
0002-9246/80/020137-14$00.75/0
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emphasis was placed on foreign capital. The current trend (phase 2) is one in which local resources are being increasingly used as part of an industrialization strategy, even though there is still an active involvement of foreign capital. In discussing both of these patterns, the paper tries to appraise the post-1950 industrial experience of the Irish Republic.

II

THE ORIGINS OF THE POST-1950 STRATEGY

As THE POST-1950 INDUSTRIALIZATION strategy started where import substitution left off, it is useful to attempt to deal succinctly with the factors affecting the abandonment of import substitution in the Irish Republic. As mentioned, import substitution was initiated as a means of making the product mix more heterogeneous and of achieving economic development. The rationale behind this was that this would ultimately lead to an improvement in social welfare in the Irish Republic.

The traditional mainstay of the economy was agriculture. It was this sector that provided the main source of employment and constituted the source of the main export activity. Due to the problems associated with the Great Depression of the late 1920s and early 1930s, it was felt that the promotion of local industries would provide jobs for a growing population and reduce undue dependency on agricultural exports (which fetched low prices abroad) on one hand, and on manufactured imports on the other. Import substitution, it was reasoned, would also bring growth and industrial development in Ireland. These high expectations for import substitution industrialization were, however, short-lived. The following problems were soon to be associated with it:

(a) Decline in industrial employment after World War II.
(b) Escalating domestic prices in both agriculture and industry.
(c) An acute balance of payments problem.
(d) A major contraction of the agricultural sector marked by lower output and structural unemployment.

The foregoing, along with the fact that the needs of the home market were largely met, and the probable membership of Ireland in the Free Trade Area of Europe, meant that external considerations became important to future growth prospects of the Irish economy. That is, foreign capital, and the international market. Thus, the then government of Ireland reasoned that foreign capital with its

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accumulated know-how in international industrial production and markets, should be a main feature of any future industrial deveolpment strategy (1).

In 1958, an open door industrialization strategy was set in motion. An Export Board was set up to assist in problems of overseas marketing. An Industrial Development Authority (IDA) was established to administer what became known as the most favorable incentives scheme in the western world. An Industrial Training Centre was built to train Irish workers in the manufacturing jobs sector. And an Industrial Credit Company, whose main concern was investment credit, underwriting and advisory services, along with Industrial Estates in Waterford, Galway and Shannon, also was featured as part of the strategy. The following are the main elements of the Incentives Package just mentioned: absence of capital gains tax; the total shares of an Irish Registered Company can be owned by an overseas company; double taxation agreements prohibiting taxes on profits from overseas companies operating in Ireland and in their parent countries; a 15 year complete exemption of taxes on export profits; cash grants up to 50 percent of the total capital costs in designated areas and up to 35 percent in non-desgnated areas (2).

III

FOREIGN CAPITAL AND INDUSTRIALIZATION 1958–70 (PHASE I)

BETWEEN 1958–70 FOREIGN CAPITAL in the non-agricultural sector was estimated to be at least £127 million. This represented 74 percent of total new investment in Ireland and over 50 percent of the increase in manufacturing export sales (3). Manufacturing absorbed £84 million; £31 million went to mining, and £12 million to land (4). These data exclude take-overs for which we have no available information. A sectoral breakdown of this is now provided.

Mining

A breakdown of foreign investment in mining shows that £23 million were invested in capital equipment and land and £8 million in exploration. In the main, most of this investment dates back to 1965 following the opening of the Tynagh mine. Important mining activities produced silver, barytes and mercury in Tipperary, and lead and zinc in Tynagh, Galway, Navan and Meath. In 1965 exports of minerals were merely £0.16 million; in 1971 for example they rose spectacularly to £14.5 million (5). Most of the foreign capital in mining was from North America.

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Manufacturing

Direct foreign investment here took the form of take-overs of existing Irish firms, expansion of already existing foreign firms, establishment of new enterprises and joint ventures. While the total inflow of foreign capital in manufacturing was about £84 million, official estimates from the IDA show that total fixed and working capital of foreign operations in manufacturing was £122 million. This excluded £14 million in the Shannon Industrial Estate (6). In other words, it is not unreasonable to estimate grants to manufacturing firms of foreign origin to be over £50 million. This is, however, only a provisional estimate, and would mean that nearly 40 percent of investment for foreign firms in Irish manufacturing industries was supplied by public financing.

Land

In two main areas of foreign direct investment, namely (a) investment in farms and (b) investment in urban property, total foreign investment was estimated at £12 million (7). Foreign insurance companies were specially involved in the latter area. This estimate of foreign investment in land is likely to be inaccurate because no firm quantitative estimates exist on capital inflow in urban property and also because of the existence of loopholes prior to the 1965 Land Act. This Act was designed to curb foreign land purchases.

Other services

For tourism, banking, insurance and the like, data are almost nonexistent. The main North American banks operating in Ireland are: The Bank of America, the Bank of Nova Scotia, the First National Bank of Chicago, the First National City Bank, the Chase Manhattan Bank, Bank of Ireland International Ltd. Life insurance companies were dominated by British companies; there were 12 British companies and only two Irish ones during this period (8).

Foreign investment was actively encouraged in the tourist and hotel trade. It has been argued that foreign investment in the tertiary sector, especially banking, was induced to a large extent by the growth of foreign investment in manufacturing industries.

On balance, if foreign direct investment is broadly interpreted, evidence shows that it could be as high as £180 million between 1958–70. Manufacturing would then be as high as £136 million, land £12 million, and mining £31 million. Since this figure excludes investment in the tertiary sector, and take-overs in manufacturing and distribution, it

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is also not complete. Thus, it is not surprising that a study has concluded that foreign investment in the Irish Republic could have reached £160 million or more during the period (9).

Foreign Industrial Projects and Countries of Origin

Between 1960–70, total industrial investment (excluding mining and investments at Shannon which was £14 million) in the Irish Republic, including joint ventures, was estimated at £169 million (10). Out of this, £127 million was foreign investment. This represented 75 percent of total industrial investment. The rest—over £42 million or about 25 percent—was generated by local investors. This is relevant in term of observations during phase II of Ireland's industrial development strategy which will be dealt with later on. In terms of new industrial projects, this meant that 401 out of 570 new industrial projects (or 70 percent of these projects) were financed by foreign capital (11). The rest, 169 or 29 percent was supplied by local firms (12). The United Kingdom was the biggest single provider of foreign investment projects (44 percent), the U.S.A. second, supplying 25 percent. In terms of capital outlay, the U.S.A. supplied 34 percent or £42 million which was the largest; the U.K. came second by supplying 29 percent or £35 million. The U.S.A. also invested more units of capital per project (£428,000) as compared to the U.K. (£197,000). Irish firms also expended larger amounts per project than U.K. firms (£249,000).

IV
CHARACTERISTICS OF FOREIGN ENTERPRISES

GIVEN THE IMPORTANCE of foreign capital to Ireland's industrial development strategy, it is useful to examine the characteristics of such enterprises. The following are important features of foreign firms during this period:

1) The majority were aided by grants from the Irish Government. It is estimated by one source that out of a total of £31 million in government grants during this period £29 million or 94 percent went to non-Irish enterprises (13). In other words, this meant that £1,057 in state subsidies per job created in Designated Areas, and £1,119 in non-designated areas, were provided annually by the Irish Government to foreign enterprises (14). These grants included labor training allowances, research and development expenditures, fixed assets expenditures, rent subsidies on advanced factories and industrial estates

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and marketing services to manufacturing exporters. The most important of these, however, were grants on fixed assets.

2) These enterprises exported about 75 percent of their gross as compared with an export propensity of 25 percent for Irish enterprises (15). It follows that while local enterprises were home market-oriented, foreign firms catered largely to the international market.

3) These firms generaly fostered weak inter-industry linkages within the Irish economy. There was one exception to this rule—the food processing sector (16). Two factors explain this. One, inefficient and uncompetitive production of Irish enterprises within protected parts of the economy (17). The other, these firms had strategic and technological reasons for importing intermediate inputs from their parent companies. In other words, they were vertically integrated internationally.

4) These firms were characterized as having a low failure rate which was however true of Irish investments. The net failure rate was estimated at only 5 percent; about half of these failures were in the area of German investments (18).

5) These enterprises operated in diverse areas of manufacturing activity such as metals and engineering, food and milk products, clothing, pharmaceuticals and chemical industries, drink and tobacco. Of these, manufactured exports of food, drink and tobacco constituted a "significant part of total manufactured goods exports" (19).

6) They tended to have a high unskilled labor/export coefficient. The unskilled labor content of exports in these industries (mainly female labor) was markedly high. Conversely, these enterprises imported goods with a high skill content (professional, technical, electrical and mechanical skills) (20).

7) While many of the enterprises were not branches of major multinational firms, there were a fair number of important multinationals operating in Ireland. This was so especially in the engineering, food processing, and electrical goods sectors.

8) Besides accounting for over 70 percent of total net investment in Ireland, these enterprises accounted for £125 million in manufacturing export sales. This was over 50 percent of the rise in manufacturing exports.

Important factors affecting the presence of foreign firms in Ireland are: search for raw materials especially in the case of mining; cost-reducing strategies; locational and marketing strategies; non-price factors; international competition affecting multinational enterprises; other related economic and political factors (21).

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V

TOWARDS AN ASSESSMENT

IT IS NOW APPROPRIATE to attempt an evaluation of the industrial development strategy in general and the role of foreign capital in that strategy, particularly.

a) *Benefits of foreign capital*

1) It was the biggest single source of job creation. Official statistics show that about 74 percent of the new jobs created by the private sector between 1958–71 resulted from foreign investment. In numbers, 30,000 (22). This excluded spread effects (multiplier effects) which, when added, would mean a higher job creation impact. However, there are no estimates of this.

2) It was the major source of economic growth in Ireland. Between 1960–70, real Gross National Product increased by 46.7 percent or 3.9 percent annually from £966 million to £1,418 million. The engine of growth was the manufacturing sector which grew annually by 6.1 percent (23). Recall that over 70 percent of industrial expansion in Ireland during this period was caused by foreign investment.

3) Foreign investment resulted in a substantial growth in Irish exports. Between 1960–70, exports rose from £153 million to £470.8 million, representing a 207 percent increase or an annual growth rate of 12 percent (24). Industrial exports at the same time rose from £51.5 million to £251.7 million, an aggregate increase of 266 percent or an annual growth rate of 13.9 percent (25). During this period, the share of industrial exports to aggregate exports rose from 34.6 percent in 1960 to 55.1 in 1970. This growth was, incidentally, the highest in Europe.

4) Since foreign industrial firms pay relatively higher wages than local ones, they tend to raise the living standards of Irish workers above the national average. In this connection, it should be noted that a significant portion of the Irish industrial workforce during this period was employed by foreign firms.

5) A further contribution of foreign capital was that since the foreign firms were primarily engaged in the non-agricultural sectors, they contributed to the transformation of the economy from a basically agricultural one. This was not possible previously because of agriculture's undue dependency on the U.K. market.

6) Another positive feature was its contribution to the reduction of Irish migration. In 1960, emigration was 44,000; by 1970 this had dropped to 12,000 (26). Through job creation, foreign investment

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helped to absorb surplus labor. The reduction of emigration has added significance, given the small population base.

7) As Ireland traditionally possessed scant technical and managerial resources—a by-product of its underdeveloped state—foreign firms with their organizational expertise, and established marketing, promotional and supply links, provided important commercial infrastructure vital for international economic relations. It further helped in establishing contacts with overseas banks, capital markets, sales organizations and the like, thereby increasing the potential of the economy to mobilize investment resources and obtaining insights into overseas markets.

8) The role of foreign capital in industrial development has contributed to more balanced regional development. IDA statistics reveal, for instance, that between 1966–71, the average annual increase in manufacturing employment in the Dublin area was 7.7 percent, whereas in the less developed parts it was much higher. Examples are 26.9 percent in Donegal, 26.7 percent in the North West, 25.3 percent in the West, 19.4 percent in the North East, 16.4 percent in the Mid-West (27).

9) Foreign investment brought about greater efficiency in the utilization of excess capacity of Irish industrial infrastructure in the form of education, electricity, transport, banking, communications, etc.

10) Foreign capital helped in the exploration for, and extraction of, natural resources. Prior to the 1960s, copper, mercury, iron, zinc, lead, and barytes were not fully exploited. Mining concessions were granted to foreign companies in the 1960s and this brought about a major expansion of that sector. Potentially, these resources could be important bases for heavy industrialization in Ireland.

b) *Limitations of a dependent industrial development strategy*

1) Although foreign capital added to job creation between 1958–70, it could be argued that it had not made a major employment impact because of the following reasons:

a) The largely labor-intensive nature of this investment. Leser, for example, argues that this was brought about largely as a result of modern capital intensive technologies imported by such firms (28). And Farley has confirmed that in 42 out of 44 manufacturing industries there was a marked increase in the capital/labor ratio (29).

b) Weak multiplier effects resulting from the pattern of production of these firms. In other words they relied on their parent counterparts for raw materials and intermediate goods. During the years

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of import substitution industrialization (1931–56) an average of 5,000 jobs a year were created. This compares with 2,300 a year created later. Further, there was evidence from the Central Bank of Ireland which suggested that the capital-biased production techniques used by foreign industrial firms were labor displacing in some manufacturing sectors, such as mining and quarrying, and in transport (30). This situation led the Irish Government to urge foreign enterprises to adopt more labor intensive production techniques (31).

2) Because foreign capital employed mainly relatively unskilled labor, it could be said to have added little to human capital formation in Ireland. Because of this pattern of employment there was a major brain drain in Ireland during this period. Lynn, for example, estimated that as many as 60 percent of Irish graduates were leaving permanently and that 80 percent of undergraduates were planning to leave the country for a substantial period of time because they had little prospect of suitable jobs (32).

3) This strategy has been associated with acute balance of payments problems. While it is true that these firms were important foreign exchange earners, the fact that they imported most of the resources they needed, and expatriated profits to their parent headquarters meant that the net effect was not favorable for Ireland. For example, between 1966–70 there has been an average annual trade deficit of £159.3 million, and an average annual balance of payments deficit of £29.7 million, with annual deficits for the years 1969 and 1970 being £69.1 million and £65.3 million respectively (33).

4) Another argument against the type of industrial development associated with foreign capital is that because it created limited inter-industry linkages, it has not contributed fundamentally to long term economic development. This is so because foreign investment was characterized by assembly type operations specializing in final stage production processes and using mainly manufactured intermediaries of the parent enterprises as inputs (34). Further, since such enterprises tend to operate in a footloose manner, it means that they have a higher than normal propensity to shift to new locations where better business conditions might prevail (35). Thus, it is contended that the type of industrialization process generated by foreign capital is subject to major long run uncertainties, which could seriously affect development in years to come.

5) The absence of regulations concerning employment of Irish personnel in managerial positions has led to a situation where most man-

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agerial, technical, marketing, and finance personnel are expatriates. This has reduced the possibility of developing requisite local skills, and leads to continued reliance on foreign administrators.

6) Regional development took place only in certain regions where foreign capital had concentrated and this led to a depopulation of some less-developed regions (36). The situation led the IDA to set up regional industrial plans "to contribute positively to improving the relative growth rate in incomes in the poorer regions and to lessening their population decline" (37).

7) Evidence suggested that the industrialization pattern led to uneven competition between established foreign enterprises and smaller local ones. This was so in the following areas: a) The purchase of domestic production materials, especially in the food processing sector. b) Domestic markets for final goods such as textiles, clothing, paper and food. c) Grants and credits where this meant that since foreign firms have a sound financial, marketing, and managerial infrastructure, they were able to compete more successfully. d) Competition in the labor market where foreign firms were able to offer higher wages.

8) The industrialization contributed to inflationary pressures. Between 1963–70, cost-push inflation was among the highest in Europe and North America. Unit wage costs during this period rose by 44 percent compared to 29 percent for the U.K., 16 percent for West Germany, 15 percent for Italy, 12 percent for the U.S.A., and 9 percent for France (38). The main explanation for this was that higher wages paid by foreign firms created a demonstration effect in other sectors of the economy. Trade union pressures played some part in this.

9) Important costs of the industrialization were observed in the extraction of natural resources. Some 90 percent of the wealth-generating potential of Irish mineral resources was estimated to have left the country during this period (39). And profits leaving the country from the smelter output or crude mineral production was estimated at £850 million (40). The drain on the value adding potential of minerals arose because little processing took place in the economy, and because the ownership structure of the mining industry was essentially foreign.

10) It was difficult to control the pattern of development since the industrialization process was dominated by foreign capital. This meant that major decisions affecting the operations of these firms, and indirectly the Irish economy, were made abroad by the parent companies. Often such decisions tend not to be in harmony with the wider interests of the society.

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11) The pattern led to a perpetuation of dependency on the U.K. for trade. In 1970 Ireland sold 66 percent of its total exports (largely agricultural) to the U.K. and bought over 50 percent of its total imports (largely manufactures) from that source (41). This has been a standing feature of colonial trade relationships between these two countries and is generally associated with existing forms of political and cultural dependency.

Government policy tended to cause these problems.

1) The Government's Grants Scheme tended to favor the more developed areas. For example, between 1959–71 the developed regions received £61.2 million in grants and the less developed regions £27.9 million, in spite of government's interest in promoting balanced regional development. Also, in the provision of grants payable to capital intensive industries, the government aided in the creation of capital-biased production techniques which aggravated unemployment problems in the country (42). This bias was in fact a built-in feature of the Incentives Scheme for foreign enterprises.

2) The market mechanism to guide the process of industrialization was unduly emphasized. Thus there was an absence of controls relating to employment practices, technology transfer, local resource usage, and the flow of profits abroad especially in the case of mining. Even in conventional economic thinking the case for intervention in the market system is justified where "market failures" occur, like those in the technology market, and in the uneven competition between foreign MNCs and local firms in the factor and product markets.

3) The government did not try in any systematic way to mobilize Irish resources in the development effort. For example, in 1970 income from capital held abroad by Irish residents was as high as £57 million, and the migration of Irish university graduates was as high as 60 percent (43). With the use of potential investible resources held by Irish residents abroad, and human capital which the economy was exporting, a greater impetus could have been given to the industrialization strategy.

VI

THE EXISTING TREND (PHASE II)

CERTAIN CHANGES are observable in the strategy beginning about 1973. In many fundamental ways the present strategy bears a striking resemblance to the previous one and has many of the same shortcomings associated with it.

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State participation in the mining sector has increased. This, in principle, should help to reduce some of the costs of foreign ownership. Plans were made for the setting up of a zinc smelter in Navan. Further, the State has assumed greater control in steel production. However, technology is still controlled by the MNCs, and crucial management decisions concerning the operations of mining enterprises are still not in the hands of the State.

The State has taken an active part in manufacturing. In 1976 the IDA approved grants to the order of £8 million to national companies including Nitrigin Eireann Teoranta, Comhlucht Siuicre Eireann Teoranta, and Irish Steel Holdings (44). Additionally, the IDA has entered into equity participation with nine manufacturing concerns.

The promotion of local small industries has been activated. The Small Industries Programme was, in fact, initiated in 1967 but it was only during the 1970s that it really began to take firm shape. In 1976 a total of 236 small industrial projects estimated to employ 3,000-odd persons, were approved (45). Most of these are Irish-owned. The promotion of such industries, in addition to creating jobs, is likely to increase the availability of goods and services for the local market, and to assure a place for the "small businessman."

In 1973, a special Joint Ventures Scheme was set up by the government to encourage manufacturing activity through partnership agreements between Irish and foreign enterprises. They involve the introduction of new technology. The idea behind this scheme is to explore possibilities of licensing agreements with foreign technology suppliers. To date 1,506 jobs are to be provided by these Joint Venture projects (46). However, licensing agreements are noted for abuses in the transfer of technology since often, under such agreements, it is the technology supplier (invariably MNCs) which is able to impose the terms of transferring such technology. Such terms are known to include the non-exploration of alternative sources of technology including the development of local ones.

The activation of government-supported Research and Development. In 1976, the IDA approved 145 projects costing £2.3 million for process and product development (47). Prior to the 1970s IDA supported virtually no R&D activity.

A Services Industries Programme was set up in 1973 to help to create a technology infrastructure. The main emphasis is on engineering, consultancy, management, surveying, and computer services, which are virtually under-developed. In 1976 19 projects, expected

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to create jobs for 1,187 qualified Irish personnel, were approved (48).

The "domestic" industrial sector in industrial development is rising in significance. Between 1973–76, there was a drastic reduction in the importance of "new" overseas enterprises. In terms of IDA Grants the percentage share of domestic enterprises is indeed revealing: 51 percent (1974); 61 percent (1975); 68 percent (1976). In terms of projected jobs, the importance of domestic enterprises also showed an upward trend: 53 percent (1974); 56 percent (1975); 57 percent (1976). In 1976, the IDA approved 827 industrial proposals from domestic enterprises involving a total outlay of £127 million. This compared with 66 new overseas projects involving a total outlay of £54 million. Thus, in 1976, domestic enterprises accounted for 70 percent of total planned investment (49). While it is true that existing foreign firms operating in Ireland as well as local ones, are for this purpose treated as domestic ones, evidence suggests that local capital and entrepreneurial resources, hitherto neglected in the industrialization effort, are now being actively mobilized.

VII
CONCLUSION

THE MAIN INSTRUMENT in Irish industrial development strategy has been foreign capital. This was necessary in the first phase between 1958–70, because of the lack of available resuorces at the time to "lead" the country's industrialization, especially since the strategy aimed at competing in the international market. The current phase beginning about 1973 places greater emphasis on the mobilization of local resources. This phase does not provide sufficient policy packages to reduce seriously some of the central problems associated with the early phase. It does seem that incorporation of agriculture in the overall industrialization strategy is likely to enrich it, and that increased national planning in economic activity including investment patterns, regional activities and technology, is likely to reduce some of the adverse effects which characterize the earlier phase.

Queen Elizabeth House
21 St. Giles
Oxford, OX1 3LA, England
and
Wolfson College
Oxford University

1. *The First Programme for Economic Expansion* (Dublin: Government of Ireland, 1958), Part V.
2. *Ireland, Industrial Handbook* (Dublin: IDA, 1972) gives an elaborate review.

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4. *Ibid.*
5. IDA, *Regional Industrial Plans 1973–77,* p. 26.
6. D. Mc Aleese, "Capital Inflows, &c.," *op. cit.*
7. *Ibid.,* pp. 23–25.
8. *Ireland Industrial Handbook,* p. 4.
9. D. Mc Aleese, *op. cit.,* p. 24.
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22. IDA *Annual Report 1972* (Dublin: IDA) p. 16.
23. IDA, *Ireland Industrial. . . . op. cit.* Section 111.
24. *Ibid.*
25. *Ibid.*
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29. Farley, *op. cit.,* p. 18.
30. The Central Bank of Ireland, *Annual Report* (Dublin: 1972) p. 26.
31. *Jobs to the People,* p. 11.
32. R. Lynn, *The Irish Brain Drain* (Dublin: Economic and Social Research Institute, 1968).
33. Bank of Ireland, *Annual Report 1970/71,* p. 182.
34. See Cooper and Whelan, *op. cit.,* pp. 42–50.
35. This is a common criticism of branch plant type industrialization in the Third World.
36. For a more extended discussion see F. Long, "Foreign Direct Investment in an Underdeveloped European Economy: The Republic of Ireland," *World Development,* Vol. 4, No. 1 (1976), p. 74.
37. *Regional–Industrial Plans: 1973–7,* Part 1, p. 1.
38. IDA *Annual Report 1970/71, op. cit.,* p. 12.
39. Data obtained from *Navan and Irish Mining* (Dublin: Resources Study Group, n.d.), p. 1.
40. *Ibid.*
41. Central Bank of Ireland, *Annual Report 1970/71,* p. 182.
42. This was contradictory to government's policy of employment creation.
43. D. McAleese, *Capital Inflows, op. cit.,* p. 64.
44. IDA, *Annual Report 1976,* pp. 1–3.
45. *Ibid.*
46. *Ibid.*
47. *Ibid.*
48. *Ibid.*
49. *Ibid.*

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